Risk Factors Comparison 2024-02-29 to 2023-02-16 Form: 10-K

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You should carefully consider the risks described below before making an investment decision in our common stock. Our operations and financial results are subject to various risks and uncertainties, including those described below and the other information in this Annual Report on Form 10- K and in our other public filings. If any of the following risks occur, our business, financial condition, reputation, operating results and growth prospects could be materially and adversely affected. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our business, operating results, financial condition, reputation ~~,~~ and growth prospects. Risk Factor Summary The following is a summary of the principal risks that could materially and adversely affect our business, financial condition, operating results and growth prospects. • ~~We may be~~ **If we are** unable to attract and retain customers ~~or~~ **and** increase sales to new and existing **customers, our business and operating results would be harmed. • If we are unable to continue to attract a diverse customer base for which we have developed more customized solutions and applications, our business, growth prospects and operating results could be adversely affected. • Our business will suffer if the small business market for our solutions proves less lucrative than projected or if we fail to effectively acquire and service small business** customers. • We may not successfully develop and market products that meet or anticipate our customers' needs, whether organically or inorganically, or may not develop such products on a timely basis. • **The use of** ~~If we are unable to attract and retain customers and increase sales to~~ new and ~~existing customers~~ **evolving technologies** , **such as AI, in** our **offerings may** ~~business and operating results~~ - **result** ~~would be~~ **in reputational** ~~harmed~~ -- **harm** ~~. • Our business will suffer if the small business market for our solutions proves less lucrative than projected or if we fail to effectively acquire~~ and **liability** ~~service small business customers. • If we are unable to continue to attract a diverse customer base for which we have developed more customized solutions and applications, our business, growth prospects and operating results could be adversely affected~~ . • Our brand is integral to our success. If we fail to protect or promote our brand, our business and competitive position may be harmed. • We face significant competition for our ~~applications~~ **Applications** and ~~commerce~~ **Commerce** and ~~core~~ **Core** ~~platform~~ **Platform** products, which we expect will continue to intensify, and we may not be able to maintain or improve our competitive position or market share **. • Our restructuring activities may not adequately reduce our operating costs or improve our operating margins, may lead to additional workforce attrition and may cause operational disruptions** . • The future growth of our business depends in part on our international bookings. Our continued international presence could subject us to additional risks. • We have ~~made~~ **taken** significant ~~investments~~ **actions** to support ~~our~~ **profitable** growth ~~strategy~~ . These ~~investments~~ **actions** may not succeed. If we do not effectively manage future growth, our operating results will be adversely affected. • We may acquire other businesses or talent, which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our operating results. • We may enter into new lines of business that offer new products and services, which may subject us to additional risks. • **We are** ~~A network attack, a security breach or other data security incident could delay or interrupt service to our customers, harm our reputation or subject us to significant liability. • If the security of the confidential information or personal information we or our vendors or partners maintain, including that of our customers and the visitors to our customers' websites stored in our systems, is breached or otherwise subjected to unauthorized access, our reputation may be harmed and we may be~~ exposed to ~~liability~~ **the risk of system failures and capacity constraints** . • We rely on **third parties to perform certain key functions, and their failure to perform those functions could result in the interruption of our operations and systems and could result in significant costs and reputational damage to us. • A network attack, a security breach or other cybersecurity incident could delay or interrupt service to our customers, harm our reputation, cause us to incur substantial costs, or subject us to significant liability. • If the security of the confidential information or personal information we or our vendors or partners maintain, including that of our customers and the visitors to our customers' websites stored in our systems, is breached or otherwise subjected to unauthorized access, our reputation may be harmed, we may be required to expend substantial resources to mitigate and remediate such breach, and we may be exposed to substantial liability. • We maintain an enterprise- wide cybersecurity program. Our failure to properly maintain this program for the company as a whole, or any part of the company, could cause us to experience a cybersecurity incident that could harm our reputation, cause us to incur substantial costs, or subject us to significant liability. • We rely on** our marketing efforts and channels to promote our brand and acquire new customers. These efforts may require significant expense and may not be successful or cost- effective **. • Our ability to increase sales of our products is highly dependent on the quality of our customer care. Our failure to provide high- quality customer care would have an adverse effect on our business, brand and operating results** . • Our future performance depends in part on the services and performance of our senior management **, as well as our experienced** and ~~key~~ **capable** employees. ~~•~~ If we are unable to ~~hire~~ **attract** , **motivate, and** retain **our employees** ~~, manage and motivate qualified personnel~~ , our business could suffer. • Our failure to properly register or maintain our customers' domain names could subject us to additional expenses, claims of loss or negative publicity that could have a material adverse effect on our business. • Our **payments- related operations, including GoDaddy Payments, are subject to various laws, regulations, restrictions and risks. Our failure to comply with such rules, regulations, and restrictions regarding our payments- related operations could materially harm our business. • Our** quarterly and annual operating results may be adversely affected due to a variety of factors, which could make our future results difficult to predict and could cause our operating results to fall below investor or analyst expectations. • Our ~~substantial~~ **level of** indebtedness could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business and our ability to react to changes in the economy or our industry, as well as divert our cash flow from operations for debt payments and prevent us from meeting our debt obligations. • Governmental and regulatory policies or claims concerning the domain name registration system and the Internet in general, and industry reactions to those policies or claims, may cause instability in the industry and disrupt our business. • We are subject to **governmental regulation and other legal obligations, particularly related to** privacy ~~and~~ **,** data ~~protection laws~~ and **information security** ~~regulations as well as contractual privacy~~ and **cybersecurity** ~~data protection obligations~~. Our failure to comply with these or any future laws, regulations or obligations could subject us to sanctions and damages and could harm our reputation and business. • Our business depends on our customers' continued and unimpeded access to the Internet and the development and maintenance of Internet infrastructure. Internet access providers may be able to block, degrade or charge for access to certain of our products, which could lead to additional expenses and the loss of customers ~~. • We may face liability or become involved in disputes over registration and transfer of domain names and control over websites~~. • Our business could be affected by new governmental regulations regarding the Internet. • **We may face liability or become involved in disputes over registration and transfer of domain names and control over websites. •** Our business could be negatively impacted by shareholder activism. • Our share price may be volatile, and you may **lose all or part of your investment. • We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate the material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could** be ~~unable to sell~~ **impaired, which could have a material adverse effect on** ~~your~~ - **our** ~~shares~~ **business and the market price of our stock**. Strategic Risks Our success depends on our ability to attract and retain customers and increase sales to new and existing customers. Although our total customers and revenue have grown rapidly in the past, in recent periods our slower growth rates have reflected the larger size ~~and~~ **,** scale and maturity **of parts** of our business. We cannot be assured that we will achieve similar growth rates in future periods as our total customers and revenue could decline or grow more slowly than we expect. The rate at which new and existing customers purchase and renew subscriptions to our products could fluctuate or decline as a result of a number of factors, such as lower demand for domain names, websites and related products, declines in our customers' level of satisfaction with our products and the support provided by our GoDaddy Guides, **platform migration, divestitures, end of life related actions on previously acquired companies,** the timeliness and success of product enhancements and introductions by us and those of our competitors, the pricing offered by us and our competitors ~~,~~ and the frequency and severity of any system outages, breaches, or technological ~~change~~ **changes**. Our revenue has grown historically due in large part to sustained customer growth rates and strong renewals of subscriptions. Our future success depends in part on maintaining strong renewals. Our costs associated with renewals are substantially lower than costs associated with acquiring new customers and selling additional products to existing customers. Therefore, a reduction in renewals, even if offset by an increase in other revenue, ~~would~~ **could** reduce our operating margins in the near term. Any failure by us to continue to attract new customers or maintain strong renewals could have a material adverse effect on our business, growth prospects and operating results. We aim to serve customers with new ventures and those with established small or medium- sized businesses that may need help growing and expanding their digital capabilities **(** ~~, or~~ Independents **)**. We also serve and provide products for other customer populations, such as website designers and developers **(** ~~, or~~ WebPros **)**, organizations with their own domain registration offerings **(** ~~, or~~ Domain Registrars **)**, individuals or organizations that manage a portfolio of registered domains ~~, or~~ **(Domain** Investors ~~,~~ **)** and ~~other~~ **third party** registrars and corporate domain portfolio owners, including those that are more technically savvy. For these customers we ~~are~~ **aim to** ~~developing~~ --- **develop** new features and applications **that may be used to start or grow their businesses**. For example, **we offer tools** for our technically ~~-~~ sophisticated web designers, developers and customers, **including** ~~we provide~~ high- performance, flexible hosting and security products that can be used with a variety of open source design tools **such** as ~~well as Managed~~ WordPress ~~. Some of our newly developed products are suited for more technically skilled customers~~. If we are unable to increase sales of our products to all customer segments we may target, our estimated total addressable market may be overstated and our business, growth prospects and operating results may be adversely affected. We focus our operations on small businesses, which frequently have limited budgets and may choose to allocate resources to items other than our solutions, especially in times of economic uncertainty or recessions. We believe that the small business market is underserved, and we intend to continue to devote substantial resources to it ~~, including through our relationships with WebPros who sell directly to their customers, some of which are small businesses~~. We aim to grow our revenues by adding new small business customers, selling additional business solutions to existing small business customers and encouraging existing small business customers to continue to use and purchase our products and services. If the small business market fails to be as lucrative as we project or we are unable to market and sell our services to small businesses effectively, ~~directly or through our relationships with WebPros,~~ our ability to grow our revenues and ~~become~~ **maintain** ~~profitable~~ **profitability** will be harmed. If we do not successfully develop and market products that anticipate or respond timely to the needs of our customers, our business and operating results may suffer. The markets **where** ~~in which~~ we compete are characterized by constant change and innovation, frequent new product and service introductions and evolving industry standards, and we expect them to continue to evolve rapidly. Our historical success has been based on our ability to identify and anticipate customer needs and design products that provide our customers with the tools they need to grow their businesses. For example, in ~~2022~~ **2023** ~~,~~ we **launched GoDaddy Airo in the U. S. GoDaddy Airo is an AI- powered solution designed to save our customers time. We also** expanded our commerce offerings **through the years** by enabling payments **through GoDaddy Payments** in all Websites Marketing through' Buy Buttons' and provided on- the- go solutions such as **Tap- to- Pay capability in the** GoDaddy Mobile **App**, Pay Links and Virtual Terminal ~~capabilities~~. To the extent we are not able to continue to identify challenges faced by entrepreneurs, small businesses and ventures and provide products responding in a timely and effective manner to their evolving needs, our business, operating results and financial condition may be adversely affected. There is no assurance we will continue to successfully identify new opportunities, develop and bring new products to market on a timely basis, or that products ~~and~~ **or** technologies developed by others will not render our products or technologies obsolete or noncompetitive. If we fail to accurately predict customers' changing needs, such as the need for expanded online and offline commerce tools, or emerging technological trends, such as **AI** ~~artificial intelligence~~, or if we fail to achieve the benefits expected from our investments in technology, our business and operating results could be harmed. These product and technology investments include those we develop internally, such as our" do- it- yourself" website builder Websites Marketing and our hosting platforms and security products, those we acquire and develop through acquisitions, such as Dan. com ~~, GoDaddy Domain Academy (formerly DNAcademy), GoDaddy Payments, GoDaddy Studio, Uniregistry' s registrar~~ and **Poynt** ~~brokerage business, SkyVerge, and our registry business- GoDaddy Registry~~, and those related to our partner programs, such as Microsoft. We must continue ~~to commit significant resources~~ to develop our technology to maintain our competitive position, doing so without knowing whether such investments will result in successful products for our customers. Our new products or product enhancements could fail to attain meaningful customer acceptance for many reasons, including: • failure to accurately predict market demand or customer preferences; • defects, errors or failures in product design or performance; • negative publicity about product performance or effectiveness, including negative comments on social media; • ~~poor business conditions for our customers or poor general macroeconomic conditions, including as a result of the COVID- 19 pandemic, international conflicts such as the Russia- Ukraine military conflict or otherwise; •~~ the perceived value of our products or product enhancements relative to their cost; ~~and~~ • changing regulatory requirements adversely affecting the products we offer **; and • poor business conditions for our customers or poor general macroeconomic conditions** . If our new products or enhancements do not achieve adequate acceptance by our customers, or if our new products do not result in increased sales or subsequent renewals, our competitive position will be impaired, our anticipated revenue growth may not be achieved and the negative impact on our operating results may be particularly acute because of the upfront technology and development, marketing and advertising and other expenses we may incur in connection with new products or enhancements. In addition, we may migrate our customers from a product that we intend to retire to another, substantially similar product. We may experience technical or other complications during such migration, which could result in a poor customer experience and which could have an adverse impact on our operating results. **We are increasingly using new and evolving technologies, such as AI, to, among other things, develop new tools and products, and additional features in our existing products, including ongoing deployment and improvement of existing AI, and the development of new product technologies, such as generative AI. For example, in 2023 we launched GoDaddy Airo in the U. S. GoDaddy Airo is an AI- powered solution designed to save our customers time. There are significant risks involved in development and deploying AI, such as an increase in intellectual property infringement or misappropriation, data privacy, cybersecurity, operational and technological risks, harmful content, accuracy, bias and discrimination, any of which could affect our further development, adoption, and use of AI, and may cause us to incur additional research and development costs to resolve such issues. In addition, the introduction of AI technologies into new or existing products may result in new or enhanced governmental or regulatory scrutiny, litigation, privacy, confidentiality or security risks, ethical concerns or other complications that could adversely affect our business, reputation or financial results. AI is the subject of evolving review by various governmental and regulatory agencies around the globe, including the SEC and the FTC, and changes in laws, rules, directives and regulations governing the use of AI are evolving rapidly. For example, on October 30, 2023, the Biden administration issued an Executive Order to, among other things, establish extensive new standards for AI safety and security, and other jurisdictions may decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging. Similarly, the intellectual property ownership and license rights, including copyright, surrounding AI technologies has not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use or adoption of AI technologies in our products and services may subject us to copyright infringement or other intellectual property misappropriation claims. We may not always be able to anticipate how to respond to these frameworks and we may have to expend resources to adjust our tools, products or other offerings in certain jurisdictions if the legal frameworks on AI are not consistent across jurisdictions. Any inability to appropriately respond to this evolving landscape could result in legal liability, regulatory action or brand and reputational harm. Our reliance on AI could also pose ethical concerns and lead to a lack of human oversight and control. If we enable or offer solutions that draw controversy, or these new offerings do not work as we describe them to our customers, we may experience brand or reputational harm, competitive harm or legal liability. The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI is implemented ethically in order to minimize unintended, harmful impacts. Further, AI technologies, including generative AI, may create content that appears correct but is factually inaccurate or flawed, or contains copyrighted or other protected material, and our customers or others may rely on or use this flawed content to their detriment. In addition, we face significant competition from other companies that are developing their own AI products and technologies. Our competitors may develop AI products and technologies that are similar or superior to our technologies or are more cost- effective to develop or deploy. It is not possible to predict all of the risks related to the use of AI, and changes in laws, rules, directives and regulations governing AI may adversely affect our ability to develop and use AI or subject us to legal liability.** Protecting and maintaining awareness of our brand is important to our success, particularly as we seek to attract new customers globally and to increase customer awareness of our full portfolio of products. We have invested, and expect to continue to invest, ~~substantial~~ resources to increase our brand awareness, both generally and in specific geographies and to specific customer groups, such as individual entrepreneurs, WebPros ~~,~~ **(** including designers, developers and agencies ~~,~~ **)** and Domain Investors. If our efforts to protect and promote our brand are not successful, our operating results may be adversely affected. GoDaddy could become the target of organized activist groups seeking to bring attention to elements of our brand, products, business model, employment practices, advertising, spokespeople, locations ~~,~~ or other matters of our business in order to gain support for their interests or deter us from continuing practices with which they disagree. In the past **,** we have been successful in striking a balance in our response **to such groups** , but we may not be as successful in the future, such that our brand, company culture or results of operations could be harmed. Evolving technologies and administration of the Internet, and the resulting changes in customer behavior and customer practices may impact the value of and demand for our products, including domain names and our websites. The domain name registration market continues to evolve and adapt to changing technology. This evolution **has and** may **in the future** include changes in the administration or operation of the Internet, including the creation and institution of alternate systems for directing Internet traffic without using the existing domain name registration system, or fundamental changes in the domain name resolution protocol used by web browsers and other Internet applications. The widespread acceptance of any alternative system, such as mobile applications or closed networks, could eliminate the need to register a domain name to establish an online presence and could materially and adversely affect our business. In addition, businesses are increasingly relying solely on social media ~~applications~~ **channels** , such as ~~Instagram~~ **Meta, TikTok, Snapchat, X (f / k / a Twitter) and WeChat** , to reach their customers, and consumers are accessing the Internet more frequently through applications on mobile devices. As reliance on these applications increases, domain names may become less prominent and their value may decline. We are dependent on the interoperability of our products with these applications and mobile devices. If we are unable to effectively integrate our products within these applications or on these devices, we may lose market share. These evolving technologies and changes in customer behavior may have an adverse effect on our business and growth prospects. Historically, Internet users navigated to a website by directly typing its domain name into a web browser or navigation bar. The domain name serves as a branded, unique identifier not unlike a phone number or email address. However, **over time, individuals' use of** search engines ~~are increasingly being used~~ to find and access a website rather than using the web browser navigation bar **has increased** . If search engines modify their algorithms, our websites may appear less prominently or not at all in search results, which could result in reduced traffic to such websites. Additionally, if the costs of search engine marketing services, such as Google Ads, increase, we may incur additional marketing expenses or **may** be required to allocate a larger portion of our marketing spend to this channel and our business and operating results could be adversely affected. The market for our products **and services** is highly fragmented and competitive **and we expect competition to increase in the future from our** ~~. These solutions are also rapidly evolving, creating opportunity for new~~ competitors ~~to enter the market with point- solution products or address specific segments of the market~~ . **In addition,** ~~Given~~ **given** our broad product portfolio, we compete with niche point- solution products and broader solution providers **. These types of products and solutions continue to evolve, creating opportunity for new competitors to enter the market with point- solution products or address specific segments of the market** . Our competitors include providers of domain registration services, web- hosting solutions, website creation and management solutions, e- commerce enablement providers, payment facilitation providers, cloud computing service and online security providers, alternative web presence and marketing solutions providers and providers of productivity tools such as business- class email. We **consider** ~~expect competition to increase in~~ the ~~future from~~ **following to be a representative list of** competitors **we face** in **some of** the ~~domain~~ **major areas we operate in: • With respect to our Core Platform products** and **services:** ~~hosting and presence markets, such as United Internet,~~ Newfold Digital, Namecheap, ~~Automattic~~ **Tucows, Dynadot, GMO, Cloudflare, Let' s Encrypt, SEDO, Comodo, Hostinger and Identity Digital; • With respect to our A & C products and services: Shopify, Block, BigCommerce, Stripe, PayPal, Liquid Web, SiteGround** , WP Engine **, Zoho, Mindbody, Toast, Yelp, OpenTable, TikTok, Meta and WeChat; and • With respect to both our Core Platform and A & C products and services: Wix, Squarespace, Automattic, Ionos, Google, Amazon, Microsoft, Alibaba and Tencent. Some of our current and potential competitors have greater resources, more** ~~and~~ **brand recognition** ~~Identity Digital (formerly Donuts~~ and ~~Afilias)~~ **consumer awareness** , ~~from~~ more diversified product offerings,greater international scope and larger customer bases than we do,and we may therefore not be able to effectively compete with them.In addition,some of our competitors seek to disrupt the market by offering their services and products at low or no cost;for example,Cloudflare offers domains at wholesale cost and Let' s Encrypt offers security certificates at no cost.If these competitors and potential competitors decide to devote greater resources to the development,promotion and sale of products in the markets in which we compete,or if the products offered by these companies **are more attractive to or better meet** ~~such as Google, Amazon and Microsoft, which provide web- hosting, other~~ -- **the** ~~cloud-based services~~ **evolving needs of our customers** , **our** ~~domain name registration and marketing~~ --- **market** ~~platforms~~ **share** , **growth prospects** ~~those companies which offer Internet marketing platforms such as Meta, TikTok, Yelp~~ and **operating results may be adversely affected** ~~Toast, and Block (formerly Square), BigCommerce, Stripe and PayPal which offer commerce capabilities~~ . In ~~particular~~ **addition** , the extension of the Cooperative Agreement between ~~Verisign~~ **VeriSign** Inc. (~~Verisign~~ **VeriSign**), the registry for. com and. net, and the U. S. Department of Commerce in 2018 gave ~~Verisign~~ **VeriSign** the right to become an ICANN- accredited registrar for any gTLD other than. com. While ~~Verisign~~ **VeriSign** has not publicly announced whether it will become a registrar, **if it were to do so,** it would become one of our competitors **in this space** ~~if it were to do so~~ , which could have a negative impact on our business and industry. In addition, we face competition in...... operating results may be adversely affected. Increased competition in our industry could result in lower sales, price reductions, reduced margins, loss of market share and increased marketing expenses. Furthermore, conditions in our market could change rapidly and significantly as a result of technological advancements, partnering by our competitors or market consolidation. New or existing competitors, or groups of competitors working cooperatively, may invent similar or superior products and technologies competing with our products and technology. The continued entry of competitors into the domain name registration and web- hosting markets, and the rapid growth of some competitors ~~that have~~ already ~~entered~~ **in** each market, may make it difficult for us to maintain our market position. Our ability to compete will depend upon our ability to provide a better product than our competitors at a competitive price and supported by superior customer care. We may be required to make substantial additional investments in research, development, marketing and sales in order to respond to competition, and there can be no assurance that these investments will achieve any returns for us or that we will be able to compete successfully in the future. **In February 2023, we announced a restructuring plan to reduce future operating expenses and improve cash flows through a combination of a reduction in force and a commitment to sell certain assets. As part of this plan, we announced a reduction in our then workforce of approximately 550 employees, representing approximately 8 % of our total employee base at the time of announcement. In conjunction with this restructuring, during the year ended December 31, 2023, we recorded $ 35. 1 million of pre- tax restructuring charges in our statement of operations related to severance, employee benefits and equity- based compensation. In addition, we recognized a pre- tax loss of $ 16. 5 million upon the completion of the planned disposition of certain assets and liabilities of our hosting business within our Core segment, which occurred on June 30, 2023. In the third quarter of 2023, we implemented additional restructuring activities to further reduce operating expenses and improve cash flows through a reduction in force, which impacted approximately 250 employees. In conjunction with these restructuring efforts, we recognized $ 13. 4 million of pre- tax restructuring charges in our statement of operations related to severance and employee benefits during 2023. The charges and expenditures that we expect to incur in connection with the restructuring activities, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and we may incur costs that are greater than we currently expect in connection with the restructuring activities. The restructuring activities may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, employee attrition beyond our intended reductions in force, a reduction in morale among our remaining employees, greater- than- anticipated costs incurred in connection with implementing the restructuring activities and the risk that we may not achieve the benefits from the restructuring activities to the extent or as quickly as we anticipate, all of which may have a material adverse effect on our results of operations or financial condition. These restructuring initiatives could place substantial demands on our management and employees, which could lead to the diversion of our management' s and employees' attention from other business priorities. In addition, while we eliminated certain positions in connection with the restructuring activities, certain functions necessary to our reduced operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees or to external service providers, which could result in disruptions to our operations. We may also discover that the workforce reductions and other restructuring efforts will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. We may further discover that, despite the implementation of our restructuring activities, we may require additional capital to continue expanding our business, and we may be unable to obtain such capital on acceptable terms, if at all. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition and results of operations.** The future growth of our business depends in part on increasing our international bookings. Our continued international presence could subject us to additional risks. Bookings outside of the U. S. represented approximately ~~32~~ **33** % of our total bookings for **each of the years ended December 31, 2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . We continue to **review and** add systems **as necessary** to accept payments in forms common outside of the U. S., optimize our marketing efforts in numerous non- U. S. geographies, equip our customer care team with the knowledge to serve these markets ~~, expand our infrastructure in various non- U. S. locations~~ and maintain or establish customer care operations in overseas locations. Conducting and expanding international ~~operations~~ **business** subjects us to risks we generally do not face in the U. S., including: • management, communication and integration problems resulting from language barriers, cultural differences and geographic dispersion of our customers and personnel; • language translation of, and associated customer care guidance for, our products; • compliance with foreign laws, including laws regarding consumer protection, the Internet and e- commerce or mobile commerce, intellectual property, online disclaimers and advertising, liability of Internet service providers for activities of customers especially with respect to hosted content, competition, anti- bribery, and more stringent laws in foreign jurisdictions relating to consumer privacy and protection of data collected from individuals and other third parties; • accreditation and other regulatory requirements to do business and to provide domain name registration and registry services, web- hosting and other products in foreign jurisdictions; • greater difficulty in enforcing contracts, including our universal terms of service and other agreements due to differences in local legal regimes and court systems; • increased expenses incurred in establishing and maintaining office space and equipment for our international ~~operations~~ **business** ; • greater costs and expenses associated with international marketing and operations; • greater risk of unexpected changes in regulatory practices, tariffs, trade disputes and tax laws and treaties ~~, particularly due to the UK' s exit from the E. U. pursuant to Article 50 of the Treaty on E. U. (Brexit)~~ ; • increased exposure to foreign currency risks ~~; • the impact of the COVID- 19 pandemic on demand for our products in international markets~~ ; • heightened risk of unfair or corrupt business practices in certain geographies, and compliance with anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act; • compliance with market access regulations, tariffs and import, export and general trade regulations, including economic sanctions and embargoes; • the potential for political, social or economic unrest, terrorism, hostilities or war, including the current ~~military conflict~~ **conflicts** between Russia and Ukraine **and in the Middle East** ; and • multiple and possibly overlapping tax regimes. The expansion of our existing international ~~operations~~ **business** and entry into additional international markets has required and will continue to require significant management attention and financial resources. These additional costs may increase our cost of acquiring international customers, which may ~~delay~~ **impair** our ability to **maintain** ~~achieve profitability or reduce our~~ profitability in the future. We may also face pressure to lower our prices in order to compete in emerging markets, which could adversely affect revenue derived from our international ~~operations~~ **business** . In addition, certain of our operations **and business** are in higher risk regions such as China, India ~~, Russia~~ and Ukraine. **We** ~~Although we~~ do not have material operations in ~~these regions~~ **China or Ukraine but our operations have been, and we expect may continue, growing in India. As a result** , unanticipated events, such as geopolitical changes associated with our international ~~operations~~ **business** could impair our growth prospects and adversely affect our business, operating results and financial condition. In addition, given the risks associated with our international ~~operations~~ **business** , we may decide to relocate international operations either to other foreign countries or domestically, which could require significant management attention and financial resources and may not prove to be successful **and** ~~, each of which~~ could adversely affect our business, operating results and financial condition. For example, there is uncertainty as to the future of U. S. trade policy with respect to China **;** ~~, and~~ in February 2022, Russia launched a military assault in Ukraine which has expanded to a full- scale military invasion of Ukraine by Russian troops **; and in October 2023, Hamas launched assaults against Israel and Israel responded with operations against Hamas** . Although we have not seen a material impact, these and other factors associated with our international ~~operations~~ **business** could impair our growth prospects and adversely affect our business, operating results and financial condition. In particular, following Russia' s invasion of Ukraine, the U. S., ~~the~~ UK ~~,~~ and ~~the European Union~~ **E. U.** governments, among others, ~~have~~ developed coordinated financial and economic sanctions targeting Russia that, in various ways **,** constrain transactions with numerous Russian entities, including major Russian banks, and individuals. **We** ~~Although we~~ have no employees or facilities in Russia or Ukraine **. We** ~~, we do~~ have a limited number of ~~customers and~~ contractors in **Ukraine and as** ~~these locations. As~~ a result, a prolonging of this conflict could cause delays in future product launches if such contractors are unable to work and / or it becomes necessary to locate and train new contractors to support these products. In addition, we opted to shut down our GoDaddy website in Russia and ~~have~~ removed support for the Ruble. Our business has not been materially impacted to date by the ongoing ~~military conflict~~ **conflicts between Russia and Ukraine and in the Middle East** , however it is impossible to predict the extent to which our operations will be impacted or the ways in which the ~~conflict~~ **conflicts** may impact our business in the long term. **Furthermore, a widening of the conflict in the Middle East could lead to broader geopolitical destabilization and macro- economic impacts.** We continue to work to increase the breadth and scope of our **business, operations and our** product offerings ~~and operations~~ . To support future growth, we must continue to improve our information technology and financial infrastructure, operating and administrative systems and our ability to effectively manage headcount, capital and processes. We are likely to recognize the costs associated with these ~~investments~~ **actions** earlier than some of the anticipated benefits, and the return on these ~~investments~~ **actions** may be lower or may develop more slowly than we expect. If we do not achieve the benefits anticipated from these ~~investments~~ **actions** , or if the achievement of these benefits is delayed, our operating results may be adversely affected. We have incurred, and will continue to incur, expenses relating to our investments in international ~~operations~~ **business** and infrastructure, such as: (i) ~~the expansion of~~ our offerings and marketing presence in India, Europe, Latin America, the Middle East and North Africa, and Asia; (ii) our marketing spend to attract new customers, such as WebPros and Independents in non- U. S. markets; and (iii) investments in software systems and additional data center resources to keep pace with the growth of our cloud infrastructure and cloud- based product offerings. We have made significant investments in product development, corporate infrastructure and technology and development, and intend to continue investing in the development of our products and infrastructure and our marketing and GoDaddy Guides. As we continue to grow, our management, administrative, operational and financial infrastructure may be strained. The scalability and flexibility of our infrastructure depends on the functionality and bandwidth of our data centers, peering sites and servers. The ~~significant~~ growth in our total customers **over the years** and the increase in the number of transactions we process have increased the amount of our stored customer data. Any loss of data or disruption in our ability to provide our product offerings due to disruptions in our infrastructure, services or third parties we rely on could result in harm to our brand or reputation. Moreover, as our customer base continues to grow and uses our platform for more complicated tasks, we will need to devote additional resources to improve our infrastructure and to enhance its scalability and security. If we do not manage the growth of our business and operations effectively, the quality of our platform and efficiency of our operations could suffer, which could harm our operating and business results. We ~~continue to~~ **review and** make enhancements **as necessary** to existing platforms and tools to support our growth ~~, including to our enterprise resource planning systems related to our e- commerce and revenue recognition~~ . While we are engaged in this work, we may experience difficulties in managing our existing systems and processes, which could disrupt our operations, the management of our finances and the reporting of our financial results. In addition, if we determine new systems or system updates are necessary, we may need to rely on legacy systems while we plan for implementation of such new or updated systems; such legacy systems may not be able to scale efficiently as our business grows, which may delay future product launches or enhancements. Our failure to improve our systems and processes or complete such system implementations or enhancements on a timely basis, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business, successfully integrate our acquisitions and to accurately forecast and report our results. As part of our business strategy, we have in the past made, and may in the future make, acquisitions or investments in companies, talent, products, domain portfolios and technologies that we believe will complement or supplement our business and address the needs of our customers, such as our acquisitions of Dan. com ~~, GoDaddy Studio, Uniregistry' s registrar and brokerage business, SkyVerge, our registry business, GoDaddy Registry,~~ and GoDaddy Payments. We cannot ensure we will be able to successfully integrate the acquired products, talent and technology or achieve the revenue and expense synergies we expect as a result of these acquisitions. Even if we do successfully integrate acquired products, we may not successfully integrate the associated brands into our portfolio or may decide to modify, retire or change the direction of the associated brands, which could adversely affect our operating results. If we fail to properly evaluate, execute or integrate acquisitions or investments, the anticipated benefits may not be realized, we may be exposed to unknown or unanticipated liabilities and our business and growth prospects could be harmed. In addition, any future acquisitions we complete could be viewed negatively by our customers, investors or industry analysts. We may have to pay cash, incur debt or issue equity securities to pay for future acquisitions, each of which could adversely affect our financial condition or the value of our Class A common stock. Equity issuances in connection with potential future acquisitions may also result in dilution to our stockholders. In addition, our future operating results may be impacted by performance earn- outs, contingent bonuses or other deferred payments. Furthermore, acquisitions may involve contingent liabilities, adverse tax consequences, additional equity- based compensation expense, the recording and subsequent amortization of amounts related to certain purchased intangible assets and, if unsuccessful, impairment charges resulting from the write- off of goodwill or other intangible assets associated with the acquisition, any of which could negatively impact our future results of ~~operations~~ **business. We may also face competition for acquisitions from larger competitors that may have more extensive financial resources, which may increase the cost or limit the availability of acquisitions** . We may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired company, including issues related to intellectual property, solution quality or architecture, privacy, data protection, information security practices, regulatory compliance practices, employment practices, customer or sales channels and integrations of prior acquisitions. We are also required to integrate, operate and manage an acquired company' s security infrastructure, which may be particularly challenging when acquired businesses utilize heavily customized or outdated systems or if we face ~~of~~ **a** loss of personnel of the acquired business. Challenges with acquired systems and / or the loss of personnel ~~familiarity~~ --- **familiar** with and responsible for such acquired systems could increase our vulnerability to network attacks, security incidents or similar events. We may ~~also face competition for acquisitions from larger competitors that may have more extensive financial resources, which may increase the cost or limit the availability of acquisitions. We may~~ encounter difficulties assimilating or integrating the companies, solutions, technologies, accounting systems, personnel or operations we acquire, particularly if the key personnel are geographically dispersed or choose not to work for us **once they are acquired** . For example, ~~we have, and may~~ in the future ~~,~~ **we may** enter into transition services agreements with a seller for the provision of support services to assist with the orderly integration of the business. We may never realize the benefits of these transition services agreements and we may be unable to manage and coordinate the performance of personnel providing services to us under these agreements. Leaders and personnel at acquired companies may focus on achieving performance earn- outs or contingent payments rather than integrating with us. Additionally, we may not integrate an acquired company ~~onto~~ **into** our systems as planned, requiring us to depend on their legacy systems or a transition services agreement for longer than anticipated. We may enter into new lines of business that offer new products and / or services, which may subject us to additional risks. From time to time, we may enter into new lines of business that offer new products and / or services. ~~For example, in February 2021, we completed our acquisition of GoDaddy Payments, facilitating our entry into the off- line commerce and payment facilitation businesses and supplementing our existing e- commerce offerings and in July 2022, we completed our acquisition of Dan. com, which provides our customers with new lease- to- own domain name options.~~ Our lack of experience with or knowledge of new lines of business we choose to enter, as well as external factors, such as competitive alternatives, potential conflicts of interest, either real or perceived, and shifting market preferences, may impact our implementation and operation of such new lines of business. Other risks of implementing new lines of business include: • potential diversion of management' s attention, available cash ~~,~~ and other resources from our existing business; • any determination by governmental agencies that any acquisition we undertake is anticompetitive in any relevant market; • unanticipated liabilities or contingencies; • compliance with ~~additional~~ **new or increased** regulatory burdens; • potential damage to existing customer relationships, lack of customer acceptance or inability to attract new customers; and • the inability to compete effectively in the new line of business. Failure to successfully manage these risks in the implementation or acquisition of new lines of business or the offering of new products or services could have a material adverse effect on our reputation, business, results of operations and financial condition. Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, passion and teamwork that we believe contribute to our success and our business may be harmed. We believe a critical contributor to our success has been our company culture, which we rely on to foster innovation, creativity, a customer- centric focus, passion, teamwork **,** collaboration and loyalty. We have invested substantial time and resources in building our team within this company culture. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to **ensure employees** effectively focus on and pursue our company objectives. Our corporate culture is central to our devoted GoDaddy Guides, which ~~is~~ **are** a key component of the value we offer our customers. As we continue to evolve our business, expand our global footprint and product portfolio ~~,~~ and rely more on remote and foreign workers, we may find it difficult to maintain these important aspects of our culture, which could limit our ability to innovate and operate effectively. We believe we provide a workplace in which employees are best served by direct discussion with management regarding pay, benefits and other workplace practices. Currently none of our workforces in the U. S. are subject to collective bargaining agreements, however, if areas of our workforce were to organize, we may find it difficult to maintain our culture, cost structure ~~,~~ and control over the delivery **of** our products, which could adversely impact our culture and results of operations. Certain of our employees in Germany are represented by employee works councils and elsewhere some international employees are represented by worker representatives in accordance with local regulations. ~~As~~ **In February 2023, we effected a workforce reduction impacting approximately 8 % of our then employee count as part of a restructuring plan. In the third quarter of 2023, we implemented additional restructuring activities to further reduce operating expenses and improve cash flows through a reduction in force, which impacted approximately 250 employees. The effects of these workforce reductions may make it more difficult to preserve our company culture and may negatively impact employee morale. In addition, as** a result of the COVID- 19 pandemic, ~~since 2020~~ a substantial portion of our personnel, including our GoDaddy Guides, **began** ~~have been~~ working remotely ~~, which could negatively affect our culture. In late 2021, we began reopening certain offices in accordance with guidance from governmental authorities and health experts. As of the date of this filing, we have invited most employees to return to our offices on a voluntary basis. We expect to continue to reopen other offices this year~~ . We anticipate working arrangements for most **of our** employees will continue to differ from the arrangements before the COVID- 19 pandemic **and the majority** ~~. We expect that some~~ of our employees ~~may~~ **will** continue to work from home on a full- ~~time~~ or part- time basis **. We continue to evaluate the effectiveness of these working arrangements on our employees and our business** . The full or partial return to in- office work and the potential transition to permanent remote working arrangements for some employees may result in increased costs, decreased efficiency, deterioration of company culture and / or other unforeseen challenges. Any failure to preserve our culture could also negatively affect our ability to retain and recruit personnel, continue to perform at current levels or execute on our business strategy. **The remote work environment has also increased our vulnerability to consumer privacy, data security and fraud risks as a result of our personnel working remotely, which may require us to invest in risk mitigation efforts that may not be successful.** Operational Risks ~~We are exposed to the risk of system failures and capacity constraints.~~ We have experienced, and may in the future experience, system failures and outages disrupting the operation of our websites or our products such as web- hosting and email, or the availability of our customer care operations. Our revenue depends in large part on the volume of traffic to our websites, the number of customers whose websites we host on our servers and the availability of our customer care operations. Accordingly, the performance, reliability and availability of our websites and servers for our corporate operations and infrastructure, as well as in the delivery of products to customers, are critical to our reputation and our ability to attract and retain customers. Any such system failure or outage could generate negative publicity, which could negatively impact our reputation and financial results. As we continue ~~our~~ **to** transition **many of our services** ~~over the next several years~~ to Amazon Web Services (AWS) to host our products, we have become, and will become, more dependent on third parties to accommodate the high volume of traffic to our websites and those of our customers. We ~~are~~ continually ~~working~~ **work** to expand and enhance our website features, technology and network infrastructure and other technologies to accommodate substantial increases in (i) the volume of traffic on our godaddy. com and affiliated websites, (ii) the number of customer websites we host and (iii) our overall total customers. We may be unable to project accurately the rate or timing of these increases or to successfully allocate resources to address such increases, which could have a negative impact on customer experience and our financial results. In the future, we may be required to allocate additional resources, including spending substantial amounts to build, purchase or lease data centers and equipment and upgrade our technology and network infrastructure to handle increased customer traffic, as well as increased traffic to customer websites we host ~~. If supply chain disruptions and equipment shortages persist, we may not be able to procure server and other network equipment to accommodate our growth and we may have to purchase such equipment at a higher cost than our historical contracts~~ . We also expect to increasingly rely on third- party cloud computing and hosting providers such as AWS as we transition to the public cloud. We cannot predict whether we will be able to continue to add network capacity from third- party suppliers as we require it. In addition, our network or our suppliers' networks might be unable to achieve or maintain data transmission capacity high enough to process orders or download data effectively or in a timely manner. Our failure, or our suppliers' failure, to achieve or maintain high data transmission capacity could significantly reduce consumer demand for our products. The property and business interruption insurance coverage we carry may be subject to fact- dependent and incident- specific exclusions or may not be adequate to compensate us fully for losses that may occur. We rely on third parties ~~to perform certain key functions, and their failure to perform those functions could result in the interruption of our operations and systems and could result in significant costs and reputational damage to us. We rely on third parties~~ , and other parties with which those third parties contract, to perform certain technology, processing, servicing and support functions on our behalf, and may in the future choose to transition a function previously managed by us to such third parties. In particular, we are in the process of transitioning a portion of our workloads from company- owned and co- located data centers to third- party cloud computing and hosting providers, including AWS. When we choose to transition a function to a third party, we may spend significant time and effort, incur higher costs than originally expected and experience delays in completing such transition. We may never realize any of the anticipated benefits of relying on such third parties, including acquisition of new customers, improved product features and positive financial results. ~~In addition,~~ **While we use various methods to manage** ~~these~~ -- **the cybersecurity risk of using** third parties **to perform key functions, third parties we use** are vulnerable to operational and technological disruptions, including from ~~cyber attacks~~ **cybersecurity incidents** , which may negatively impact our ability to provide services to our customers, operate our business and fulfill our financial reporting obligations. We may have limited remedies against these third parties in the event of service disruptions. If third parties are unable to perform these functions on our behalf because of service interruptions or extended outages, or because those services are no longer available on commercially reasonable terms, our expenses could increase and our customers' use of our products could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business. We substantially rely upon AWS to operate our platform, and any disruption of or interference with our use of AWS would adversely affect our business, results of operations and financial condition. **A** ~~We outsource a~~ substantial ~~majority~~ **portion** of our cloud infrastructure ~~to~~ **is provisioned through** AWS, which hosts some of our products and platforms. Our customers need to be able to access our platform at any time, without interruption or degradation of performance. AWS runs its own platform that we access, and we are, therefore, vulnerable to service interruptions at AWS. We may experience interruptions, delays and outages in service and availability of AWS services due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints due to any number of potential causes, including technical failures, natural disasters, pandemics such as the COVID- 19 pandemic, fraud or ~~security~~ **cybersecurity** attacks, all of which could impact our service to our customers. In addition, if security of AWS is compromised, or our products or platform are unavailable or our users are unable to use our products within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. In some instances, AWS or we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as our products become more complex and the usage of our products increases. To the extent that we do not effectively address capacity constraints, either through AWS or alternative providers of cloud infrastructure, our business, results of operations and financial condition may be adversely affected. In addition, any changes in service levels from AWS may adversely affect our ability to meet our customers’ requirements, result in negative publicity which could harm our reputation and brand and may adversely affect the usage of our platform. **We** ~~The substantial majority of the services we~~ use ~~from~~ AWS ~~are~~ **primarily** for cloud- based server capacity and, to a lesser extent, storage and other optimization offerings. AWS enables us to order and reserve server capacity in varying amounts and sizes distributed across multiple regions. We access AWS infrastructure through standard IP connectivity. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. AWS may terminate the agreement for cause upon notice and upon our failure to cure a breach within 45 days from the date of such notification and may, in some cases, suspend the agreement immediately for cause upon notice. Although we expect that we could receive similar services from other third parties, if any of our arrangements with AWS are terminated, we could experience interruptions on our platform and in our ability to make our products available to customers, as well as delays and additional expenses in arranging alternative cloud infrastructure services. Any of the above circumstances or events may harm our reputation, erode customer trust, cause customers to stop using our products, impair our ability to increase revenue from existing customers, impair our ability to grow our customer base, subject us to financial penalties and liabilities under our service level agreements and otherwise harm our business, results of operations and financial condition. **We maintain an enterprise- wide cybersecurity program to manage the risks to our information systems from cybersecurity threats and incidents.** Our operations depend on our ability to protect our **information** ~~network and~~ systems against interruption, a breach of confidentiality, or other damage from unauthorized entry, computer viruses, denial of service attacks and other security threats both within and beyond our control. These **cybersecurity** threats may arise from human error, fraud, or malice on the part of our employees, insiders, or third parties, or they may result from accidental technological failure. Any of these parties may also attempt to fraudulently induce employees, customers, or other third- party users of our systems to disclose sensitive information, wittingly or unwittingly, ~~in order~~ to gain access to our data or that of our customers or third parties with whom we interact. As an operator of a large Internet infrastructure, the company is frequently targeted and experiences a high rate of attacks. These include the most sophisticated forms of attacks, such as advanced persistent threat attacks and zero- ~~hour~~ **day** threats. These forms of attacks ~~involve~~ **include** situations where the threat is not compiled or ~~undetectable~~ **does not have detection signatures** within our observation and threat indicators space until the moment it is launched. For example, we ~~regularly~~ **have** ~~experience~~ **experienced** , and may experience in the future, distributed denial of service (~~DDOS~~ **DDoS**) attacks aimed at disrupting service to our customers ~~and~~ **,** attempts ~~by hackers~~ to place illegal or abusive content on our or our customers' websites **, and other** ~~. Our response to such DDOS~~ attacks **on** ~~may be insufficient to protect~~ our ~~network and~~ systems **by sophisticated threat** ~~, especially as attacks increase in size and nation- state~~ actors ~~use DDOS attacks against political and economic adversaries~~ . In addition, there has been an increase in the number of malicious software attacks in the technology industry generally, including newer strains of malware, ransomware and cryptocurrency mining **software exploiting zero- day vulnerabilities in open source and third- party** software. Moreover, retaliatory acts by Russia in response to economic sanctions or other measures taken by the international community against Russia arising from the Russia- Ukraine military conflict could include an increased number or severity of cyber attacks from Russia or its allies. **For example, we have seen an increasing number of cyber attacks from threat actor groups located in or leveraging systems, sites and infrastructure hosted in the Russian region to target attacks on our infrastructure. Our response to any such attacks may be insufficient to protect our network and systems, especially as attacks increase in size and nation- state actors use attacks against political and economic adversaries.** Social engineering efforts may compromise our personnel or those of our third- party vendors, leading to unauthorized access to **information** ~~facilities,~~ systems ~~or information~~ we have a responsibility to protect, which could lead to the unauthorized acquisition of information, the unavailability of **our information** systems **(** or information **contained on those systems)** or the compromise of customer accounts. Despite efforts to promote security awareness and training for our personnel and vendors, malicious actors are increasingly sophisticated and successful in their use of social engineering techniques. We have experienced, and may continue to experience, social engineering attempts, some of which have been successful, including by a persistent threat actor **group** , ~~who~~ **which** , among other things, has attempted to transfer customer domain names and has targeted customer domains related to cryptocurrency. **Recent advances in AI may increase the sophistication of these types of attacks; for example, as attackers are able to create more personalized and targeted communications using information derived from people' s relationships, online behavior and preferences.** We have taken steps and continue to work to enhance our ~~security~~ **cybersecurity** and resilience against social engineering, requiring additional engineering efforts and modifications to our technology architecture as well as the expenditure of time and additional cost. We cannot guarantee that ~~in all cases~~ our efforts will be successful or that future social engineering incidents will **not cause** ~~have minimal impact to our~~ financial **, operational** and **/ or** reputational harm. We cannot guarantee **that** our backup systems ~~,~~ **and** regular data backups **will be adequate to protect against loss of our information or information of our customers and third parties. In addition** , **we cannot guarantee that our cybersecurity program, including our related** security protocols, network protection mechanisms, cybersecurity awareness training, insider threat protection program, access controls, and other procedures and measures currently in place, or that may be in place in the future, will be adequate to prevent or remedy network and service ~~interruption~~ **interruptions** , system failure, third- party operating systems and software vulnerabilities, damage to one or more of our systems, data loss, ~~security~~ **cybersecurity** breaches or other ~~data security~~ **cybersecurity** incidents. Also, our products are cloud- based ~~,~~ and ~~the amount of~~ **we store our customers'** data ~~we store for our customers~~ on our servers ~~has been increasing as our business has grown~~ . Despite the implementation of ~~security~~ **cybersecurity** measures, our ~~infrastructure~~ **information systems** may be vulnerable to computer viruses, worms, other malicious software programs, social engineering attacks, insider threats, credential theft and related abuse, illegal or abusive content or similar disruptive problems caused by our customers, employees, consultants or other Internet users who attempt to invade or disrupt public and private data networks or to improperly access, use or obtain data. We experience ~~cybsersecurity~~ - **cybersecurity** incidents, and any actual or perceived breach of our security could expose us to a risk of loss or litigation and possible liability **,** and **could** subject us to regulatory or other government inquiries or investigations, which will require us to expend significant capital and other resources to remediate the breach, any of which would harm our business, financial condition and operating results. For ~~examples~~ - **example** , in March

2020, we discovered **that** a threat actor **group had** compromised the hosting login credentials of approximately 28, 000 hosting customers to their hosting accounts as well as the login credentials of a small number of our personnel **. We subsequently identified more than 5, 000 additional hosting customers whose hosting login credentials were compromised in this incident** . These hosting login credentials did not provide access to the hosting customers' main GoDaddy account. We have ~~spent~~ **expended** resources investigating and responding to this activity, notified the impacted customers, reported the activity to applicable regulatory authorities, and are responding to requests for information regarding our data privacy and security practices, including from the ~~Federal Trade Commission (~~ FTC ~~)~~ pursuant to Civil Investigative Demands issued in July 2020 and October 2021. The timing of resolution and the outcome of ~~this~~ **these** ~~matter~~ **matters** are uncertain **and could result in our being subject to substantial monetary or other costs to our business** . In November 2021, using a compromised password, an unauthorized third party accessed the provisioning system in our legacy code base for Managed WordPress (MWP), which impacted up to 1. 2 million active and inactive MWP customers across multiple GoDaddy brands. We reported the MWP incident to applicable regulatory authorities and have responded to inquiries from customers, strategic partners, regulators, and the media. The timing of resolution and outcome of this matter are uncertain. In December 2022, an unauthorized third party gained access to and installed malware on our cPanel hosting servers. The malware intermittently redirected random customer websites to malicious sites ~~. We continue to investigate the root cause of the incident~~ . Based on our investigation, we believe these incidents are part of a multi- year campaign by a sophisticated threat actor group ~~that~~ **which** , among other things, installed malware on our systems and obtained pieces of code related to some services within GoDaddy. To date, these incidents as well as other cyber threats and attacks have not resulted in any material adverse impact to our business or operations, but such threats are constantly evolving, increasing the difficulty of detecting and successfully defending against them. In case of a future incident, a history of past incidents, such as those mentioned herein, may ~~increase the~~ **subject us to a greater** risk of ~~higher~~ **significant costs and** sanctions, or ~~that~~ investigations into past incidents may be re- invigorated. If the security of the **personal, sensitive or** confidential information, **including** ~~personal information or~~ payment card information **,** we or our vendors or partners maintain, including that of our customers and the visitors to our customers' websites stored in our **information** systems, is breached or otherwise subjected to unauthorized access, our reputation may be harmed and we may be exposed to liability. Our business involves the storage and transmission of confidential information, including personal information and payment card information. In addition, nearly all of our products are cloud- based and we ~~store~~ **process** such data for our customers on our servers, and on servers used by our vendors and partners, such as AWS. We take measures intended to protect the security, integrity and confidentiality of the personal information ~~and~~ **or** other ~~sensitive~~ information, including payment card information, that we collect, store or transmit, but cannot guarantee that inadvertent or unauthorized use or disclosure of such information will not occur or that third parties, including nation- states and bad actors, or our personnel, or those of our vendors will not gain unauthorized or other malicious access to this information or systems where personal information is processed despite our preventative efforts or those of our vendors or partners. If third parties succeed in penetrating our security measures or those of our vendors and partners, or in otherwise accessing or obtaining without authorization the **personal, sensitive or confidential information, including** payment card ~~information or other sensitive or confidential~~ information we or our vendors and partners maintain, we could be subject to liability, loss of business, litigation, government investigations or other losses. As we continue to rely more on third- party and public- cloud infrastructures, such as AWS and other third- party service providers, we have become, and will become, more dependent on third- party security measures to protect against unauthorized access, cyber attacks and the mishandling of customer data. Increased handling of personal **, sensitive or** ~~information and other customer data and~~ confidential information **, including payment card information,** by third parties may create increased risks of unauthorized disclosure, misuse or loss of these types of information and may require us to expend significant time and resources to address incidents of failure in such third parties' security measures. We also anticipate being required to expend significant resources to maintain and improve our oversight of vendors and other third parties with whom we share data or otherwise process data on our behalf. In addition, our customers and partners have in the past and may in the future request we produce evidence of our ~~data security~~ **cybersecurity** program as part of their own compliance programs. Responding to such requests may be costly and time consuming. If we or our partners experience any breaches or sabotage of our security measures, or otherwise suffer unauthorized use or disclosure of, or access to, personal ~~information~~ **, sensitive** or ~~other~~ confidential information, including payment card information, we might be required to expend significant capital and resources to remediate these problems and protect against additional breaches or sabotage. We may not be able to remedy any problems caused by threat actors in a timely manner, or at all, due to, among other things, a lack of qualified personnel to handle such problems or the failure of our personnel to follow internal policies and procedures. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until after they are launched against a target, we and our vendors and partners may be unable to anticipate these techniques or to implement adequate preventative measures on a timely basis. Advances in computer capabilities, discoveries of new weaknesses, increased likelihood of nation- state cyber attacks (including retaliatory cyber attacks by Russia in response to economic sanctions resulting from the Russia- Ukraine military conflict), and other developments with software generally used by the Internet community, such as the ~~Meltdown~~ **Zenbleed** and ~~Spectre~~ **Downfall** vulnerabilities, which exploit security flaws in ~~chips~~ **processors** manufactured **by both AMD and Intel** ~~in the last 20 years, the Shellshock vulnerability in the Linux Bash shell, the Log4Shell vulnerability in the widely used logging library Log4j~~ , continually evolving ransomware attacks, or developments related to vendor software (e. g., SolarWinds Orion product incident), also increase the risk that we, or our customers using our servers and services, will suffer a security breach. We or our partners may also suffer security breaches or unauthorized access to personal ~~information and other~~ **, sensitive or** confidential information, including payment card information, due to employee error, rogue employee activity, unauthorized access by third parties acting with malicious intent or committing an inadvertent mistake, or social engineering. If a breach of our security or other ~~data security~~ **cybersecurity** incident occurs or is perceived to have occurred, the perception of the effectiveness of our security measures and our reputation could be harmed and we could lose current and potential customers. Security breaches or other unauthorized access to personal ~~information and other~~ **, sensitive or** confidential information, including payment card information, could result in mandatory customer, regulator, contractual, and / or payment card provider notifications, litigation, government investigations, adverse publicity, and claims against us for unauthorized purchases with payment card information, identity theft or other similar fraud claims, and claims for other misuses of personal information, including for unauthorized marketing purposes, which could result in a material adverse effect on our business, financial condition or reputation. Moreover, these claims could cause us to incur penalties from payment card associations (including those resulting from our failure to adhere to industry ~~data security~~ **cybersecurity** standards), or termination by payment card associations of our ability to accept credit or debit card payments, any of which could have a material adverse effect on our business and financial condition. Although we maintain cyber liability insurance coverage that may cover certain liabilities in connection with a security breach or other security incident, we cannot be certain our insurance coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms (if at all) or that any insurer will not deny coverage as to any future claim. In addition, certain insurers have denied coverage if a nation- state is declared the sponsor or perpetrator of such security breach or incident. For example, following the U. S., **the** UK, Canadian and Australian governments' attribution of Russia for the NotPetya ransomware attack, Zurich American Insurance Co. denied Mondelez International, Inc.' s claim for damages from that attack, ~~resulting~~ **which resulted** in ~~ongoing~~ litigation between Zurich and Mondelez **that was eventually settled prior to trial** . **In** ~~However, a~~ January 2022 **,** ~~ruling from~~ a court in New Jersey permitted Merck & Co. to recover under its cyber insurance policies for a NotPetya attack **, leading to a settlement prior to trial that was publicly announced in January 2024** . These examples suggest there continues to be uncertainty across the cyber insurance market regarding the availability of coverage for nation- state- led cyber attacks. The successful assertion of one or more large claims against us that exceed available insurance coverage, the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, or denials of coverage based on" act of war" or similar exclusions triggered by attribution of an attack to a nation- state, particularly given the heightened risk of cyber attacks due to the ongoing Russia- Ukraine military conflict, could have a material adverse effect on our business, including our financial condition, results of operations and reputation. We expect to continue to expend significant resources to protect against security breaches and other ~~data security~~ **cybersecurity** incidents. The risk that these types of events could seriously harm our business is likely to increase as we expand the number of cloud- based products we offer and **as we** operate ~~in~~ **or expand our business into** more countries. If we experience fraudulent activity relating to our, or our third **-** party vendors ~~'~~ **'** products and services, we could suffer service interruptions or incur substantial costs. Our products and services, and the products and services of our third **-** party vendors and partners, may be subject to fraudulent usage, including but not limited to domain name hijacking, revenue share fraud, and other fraudulent schemes. In addition, although our customers are required to set passwords or personal identification numbers to protect their accounts, third parties have in the past been, and may in the future be, able to access and use our customers ~~'~~ **'** accounts through fraudulent means. Fraudulent activity can result in, among other things, interruption of our services to our customers, and substantial and reputational harm. Although we implement multiple fraud prevention and detection controls, we cannot be certain that our efforts to address external fraudulent activity, such as revenue share fraud, domain name hijacking or other fraudulent use of our, or our third parties ~~'~~ **'** and vendors ~~'~~ **'** products and services, will be successful in eliminating these threats, any of which could adversely affect our business, results of operations and financial condition. We use a variety of marketing channels to promote our brand, including online keyword search, sponsorships and ~~celebrity~~ endorsements, television, radio and print advertising, email and social media marketing **. Our** ~~and through the selling and marketing efforts of our~~ GoDaddy Guides ~~who may~~ **also market our brand through their** ~~recommend~~ **recommendations of our** products or solutions to specifically meet the needs of our customers. In order to maintain and grow our revenues, we need to continuously optimize and diversify our marketing campaigns and strategies and increase our efforts to expand customer awareness of our portfolio of products. There can be no assurance that our marketing efforts will succeed. If we lose access to one or more of these channels, we may be unable to promote our brand effectively, which could limit our ability to grow our business. Further, if our marketing activities fail to generate traffic to our website, attract new customers or lead to new sales or renewals of our products at the levels we anticipate or our efforts to personalize our marketing efforts are not successful, our business and operating results could be adversely affected. In the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , our **marketing and** advertising expenses were $ **352. 9 million, $** 412. 3 million ~~,~~ **and** $ 503. 9 ~~million and $ 438. 5~~ million, respectively. If these costs or our customer acquisition costs increase or we fail to generate additional sales as a result of our marketing efforts, our business, operating results and financial performance could be adversely affected ~~. Our ability to increase sales of our products is highly dependent on the quality of our customer care. Our failure to provide high- quality customer care would have an adverse effect on our business, brand and operating results~~ . We believe our focus on high- quality customer care is critical to retaining, expanding and further penetrating our customer base, as well as generating additional sales of products to our customers. Our GoDaddy Guides have historically contributed significantly to our total bookings. ~~In~~ **For the years ended December 31, 2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , approximately **9 %,** 10 %, **and** 11 ~~%, and 12~~ % of our total bookings, respectively, were generated from the sale of product subscriptions by our GoDaddy Guides. Most of our current offerings are designed for customers who often self- identify as having limited to no technology skills. Our customers depend on our GoDaddy Guides to guide them as they create, manage and grow their ~~digital~~ identities, support their ~~ubiquitous~~ presence, both online and offline, and enable them with products to meet their commerce needs. Our GoDaddy Guides ~~primarily~~ engage with customers through direct calls **and / or** ~~, but have increasingly engaged with customers~~ via other communication channels, such as chat, social media and webcasts, and we continue to increase our self- serve solutions. As our customer base continues to grow, we must continue to broaden our portfolio of solutions, increase the scope of our solution deployments within our customers' IT infrastructure, and adapt our customer support organization to ensure our customers continue to receive the high level of customer service which they have come to expect. If we fail to maintain high quality customer care across our communications platforms to support our growing customers' needs, our reputation, financial results and business prospects may be materially harmed. Notwithstanding our commitment to customer care, our customers may occasionally encounter interruptions in service and other technical challenges, including those resulting from our GoDaddy Guides working remotely. An interruption in service and other challenges could negatively impact our business. A portion of our ~~international~~ GoDaddy Guides is engaged through third parties and not directly by us. We continue to refine our efforts in customer care so we can adequately serve our domestic and international customers. A portion of our ~~international~~ GoDaddy Guides is engaged through third parties and not directly employed by us. If our agreements with such third parties are terminated for any reason, **including a breach of agreement, if such third parties or the GoDaddy Guides engaged through the third parties do not perform the level of service expected of GoDaddy or our customers, or if such GoDaddy Guides engage in misconduct, our business and reputation could be harmed and** we ~~will~~ **may** need to find and / or train alternative providers, which could increase our costs **and delay services to our customers** . In addition, such a disruption could adversely impact our ability to serve our customers and to sell products to new and existing customers and we may experience a decline in our subscription renewal rates and in our ability to cross- sell our products and our reputation may suffer, any of which could adversely affect our business, reputation and operating results. Our future performance ~~will continue to depend~~ **depends** on the services and contributions of our senior management and key employees to execute on our business plan and to identify and pursue new opportunities and product innovations. The loss of services of senior management or other key employees and the hiring of new senior leaders and key employees, especially in a competitive labor market, could significantly delay or prevent our achievement of strategic objectives, business plans and product development as we transition to new leaders and could adversely affect our business, financial condition and operating results. **Our future success and ability to innovate also depends, in part, on our ability to continue to hire, retain, manage and motivate highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel or delays in hiring required personnel, may seriously harm our business, financial condition and operating results. We may need to invest significant amounts of cash and equity to retain our employees or attract new employees, and we may never realize returns on these investments. Historically, equity awards have been a key component of our employee compensation program, and as a result, any decline in the price of our Class A common stock (directly or relative to the stock price of other companies with which we compete for talent) may adversely impact our ability to retain employees or to attract new employees. Due to the workforce reductions implemented as part of our restructuring activities in the first and third quarters of 2023, our ability to attract, retain, and motivate highly qualified employees may be impacted and our reputation with current or prospective employees may be harmed.** In addition, as **a result of the COVID- 19 pandemic, a substantial portion of our personnel, including our GoDaddy Guides, began working remotely. We anticipate working arrangements for most of our employees will continue to differ from the arrangements before the COVID- 19 pandemic and the majority of our employees will continue to work from home on a full- or part- time basis. We continue to evaluate the effectiveness of these working arrangements on our employees and our business. With these alternate work arrangements we may experience difficulties onboarding and managing new employees and maintaining our corporate culture. Additionally, significant modifications to these arrangements, such as requiring our employees to return to the office on a full- time basis, may prove unpopular and impair our ability to attract or retain qualified personnel. As** we expand our product offerings through acquisitions, we may become dependent on the services and contributions of key personnel who join us through such acquisitions. If we are unable to integrate and retain such personnel, our financial condition and operating results may be affected. ~~Our future success and ability to innovate depends, in part, on our ability to continue to hire, retain, manage and motivate highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel or delays in hiring required personnel, may seriously harm our business, financial condition and operating results. Additionally, due to the COVID- 19 pandemic, in 2020, we temporarily closed our offices and required substantially all personnel to work remotely. In late 2021, we began reopening certain offices in accordance with guidance from governmental authorities and health experts. As of the date of this filing, we have invited most employees to return to our offices on a voluntary basis. Our employees remain highly productive. We expect to maintain and continue to improve our productivity and efficiency through the remote work environment, and the hybrid in- person and remote work environment. However, we cannot predict how our employees or business will be impacted by the ongoing uncertainty relating to the COVID- 19 pandemic, and we may experience difficulties onboarding new employees, managing employees and maintaining our culture while we work remotely and continue our return- to- office.~~ Competition for highly skilled personnel, particularly employees with technical and engineering skills, is frequently intense, particularly in U. S. tech hubs such as the San Francisco Bay area, Seattle and Austin. We are limited in our ability to recruit global talent by U. S. immigration laws, including those related to H- 1B visas. The demand for H- 1B visas to fill highly- skilled IT and computer science jobs is greater than the number of H- 1B visas available each year. In addition, immigration laws may be modified to further limit the availability of H- 1B visas. If a new or revised visa program is implemented, it may impact our ability to recruit, hire and retain qualified skilled personnel, which could adversely impact our business, operating results and financial condition. To the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information. If we are unable to maintain our contractual relationships with existing partners or establish new contractual relationships with potential partners, we may not be able to offer the products and related functionality our customers expect. We maintain a network of different types of partners, some of which create integrations with our products. For example, we partner with Microsoft Corporation to offer ~~Office~~ **Microsoft** 365 email and related productivity tools and with **Worldpay** ~~Open- Xchange~~ to offer ~~OX- App- suite~~ **certain Commerce products and services** to ~~our~~ **Worldpay' s** customers. We also work to make certain of our products interoperable with services such as Yelp, Google, Amazon, WhatsApp and Instagram. In addition, we provide payment options for customers' websites through providers such as PayPal, Stripe, Block ~~(formerly Square)~~ and Mercado Libre. We have invested and will continue to invest in partner programs to provide new product offerings to our customers and help us attract additional customers. However, our relationships with our partners may not be as successful in generating new customers as we anticipate, which could adversely affect our ability to increase our total customers. Further, these integrated products could require substantial investment while providing no assurance of return or incremental revenue. We also rely on some of our partners to create integrations with third- party applications and platforms used by our customers, such as the email encryption service provided by ~~INKY Technology Corporation~~ **Proofpoint, Inc.** , email backup and migration services provided by SkyKick and email archiving services provided by Barracuda. If our partners fail to create such integrations, or if they change the features of their applications or alter the terms governing use of their applications in an adverse manner, demand for our products could decrease, which would harm our business and operating results. If we are unable to maintain our contractual relationships with existing partners or establish new contractual relationships with potential partners, we may not be able to offer the products and related functionality our customers expect, ~~and~~ we may experience delays and increased costs in adding customers **,** and **we** may lose **existing** customers. Any ineffectiveness of our partner programs could materially adversely affect our business and results of operations **and may cause reputational harm** . In addition, our partners may increase the fees they charge us or offer their services on terms that are less than favorable to us, including in connection with renewal negotiations. Such increased costs or less than favorable terms could result in increased costs to customers and potential loss of customers, which could have an adverse impact on our results of operations. System and process failures related to our domain name registration service may result in inaccurate and incomplete information in our domain name database. Despite testing, system and process failures and other vulnerabilities may remain undetected or unknown, which could result in compromised customer data, loss of or delay in revenues, failure to achieve market acceptance, injury to our reputation or increased product costs, any of which could harm our business. Furthermore, the requirements for securing and renewing domain names vary from registry to registry and are subject to change. We cannot guarantee we will be able to readily adopt and comply with the various registry requirements. Our failure or inability to properly register or maintain our customers' domain names, whether as a result of the actions of our customers or us, might result in significant expenses and subject us to claims of loss or to negative publicity, which could harm our business, brand and operating results. We rely heavily on the reliability, security and performance of our internally developed systems and operations. Any difficulties in maintaining these systems may result in damage to our brand, service interruptions, decreased customer service or increased expenditures. The reliability and continuous availability of the software, hardware and workflow processes underlying our internal systems, networks and infrastructure and the ability to deliver our products are critical to our business. Any interruptions resulting in our inability to timely deliver our products or customer care, or materially impacting the efficiency or cost with which we provide our products and customer care, would harm our brand, profitability and ability to conduct business. In addition, many of the software and other systems we currently use will need to be enhanced over time or replaced with equivalent commercial products or services, which may not be available on commercially reasonable terms or at all. Enhancing or replacing our systems, networks or infrastructure could entail considerable effort and expense. If we fail to develop and execute reliable policies, procedures and tools to operate our systems, networks or infrastructure, we could face a substantial decrease in workflow efficiency and increased costs, as well as a decline in our revenue. We rely on a limited number of data centers to deliver many of our products. If we are unable to renew our data center agreements on favorable terms, or at all, our operating margins and profitability could be adversely affected and our business could be harmed. We own one of our data centers and lease our remaining data center capacity from wholesale providers. We occupy our leased data center capacity pursuant to co- location service agreements with third- party data center facilities, which have built and maintain the co- located data centers for us and other parties. Although we have begun to service some of our customers through our cloud infrastructure as part of our partnership with AWS, we still serve customers from our GoDaddy- owned, Arizona- based data center as well as domestic and international co- located data center facilities ~~most significantly located~~ in **various locations** ~~Virginia, France, the Netherlands, India and Singapore~~ . Although we own the servers in these co- located data centers and engineer and architect the systems upon which our platforms run, we do not control the operation of these facilities, and we depend on the operators of these facilities to ensure their proper security, maintenance and insurance. Despite precautions taken at our data centers, these facilities may be vulnerable to damage or interruption from break- ins, computer viruses, crypto- jacking, ~~DDOS~~ **DDoS** or other cyber attacks, acts of terrorism, vandalism or sabotage, power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes and similar events or any other type of loss or failure. The occurrence of any of these events or other unanticipated problems at these facilities could result in loss of data (including personal or payment card information), lengthy interruptions in the availability of our services and harm to our reputation and brand. While we have disaster recovery arrangements in place, they have been tested in only very limited circumstances and not during any large- scale or prolonged disasters or similar events. The terms of our existing co- located data center agreements vary in length and expire on various dates through 2033. Only some of our agreements with our co- located data centers provide us with options to renew under negotiated terms. We also have agreements with other critical infrastructure vendors which provide all of our facilities, including our data centers, with bandwidth, fiber optics and electrical power. None of these infrastructure vendors are under any obligation to continue to provide these services after the expiration of their respective agreements with us, nor are they obligated to renew the terms of those agreements. If we are unable to renew these agreements on commercially reasonable terms, or if the service providers close such facilities or cease providing such services, we may be required to transfer to a new service provider, which may cause us to incur costs and service interruptions. In addition, our existing co- located data center agreements may not provide us with adequate time to transfer operations to a new facility in the event of a termination. If we were required to move our equipment to a new facility without adequate time to plan and prepare for such migration, we would face significant challenges due to the technical complexity, risk and high costs of the relocation. Any such migration could result in significant costs for us and may result in data loss and significant downtime for a significant number of our customers which could damage our reputation and brand, cause us to lose current customers or become unable to attract new customers and adversely affect our operating results and financial condition. Our business is exposed to risks associated with credit card and other payment chargebacks, fraud and new payment methods. A ~~majority~~ **significant percentage** of our revenue is processed through credit cards and other online payments. If our refunds or chargebacks increase, our processors could require us to create reserves, increase fees or terminate their contracts with us, which would have an adverse effect on our financial condition. Our failure to limit fraudulent transactions conducted on our websites, such as the fraudulent sale of domains on our aftermarket platform using stolen account credentials and credit card numbers, could increase the number of refunds we have to process and could also subject us to liability and adversely impact our reputation. Under credit card association rules, penalties may be imposed at the discretion of the association for inadequate fraud protection **or excessive chargebacks** . Any such potential penalties would be imposed on our credit card processor by the association. Under our contracts with our payment processors, we are required to reimburse them for such penalties. However, we face the risk that we may fail to maintain an adequate level of fraud protection **or chargebacks** and that one or more credit card associations or other processors may, at any time, assess penalties against us or terminate our ability to accept credit card payments or other ~~form~~ **forms** of online payments from customers, which would have a material adverse effect on our business, financial condition and operating results. In addition, as we expand our presence in commerce through our GoDaddy Payments products and services, we face additional risks in payment processing due to ~~merchant~~ **customer** screening, hardware failures, hardware servicing ~~and~~ **,** manufacturing costs, **and the procurement of hardware parts and materials** and risks associated with the interface of our hardware products with third- party mobile devices. We could also incur significant fines or lose our ability to give customers the option of using credit cards to pay for our products if we fail to follow payment card industry data security standards, even if there is no compromise of the cardholder information covered by these standards. Although we believe we are in compliance with payment card industry data security standards ~~and do not believe there has been a compromise of cardholder information~~ , it is possible that at times either we or any of our acquired companies may not have been in full compliance with these standards. Accordingly, we could be fined, which could impact our financial condition, or certain of our products could be suspended, which would cause us to be unable to process payments using credit cards. If we are unable to accept credit card payments, our business, financial condition and operating results may be adversely affected. In addition, we could be liable if there is a breach of the payment information we store. Online commerce and communications depend on the secure transmission of confidential information over public networks. Additionally, with the expansion of our offerings through GoDaddy Payments products and services, we face additional burdens in securing and transmitting payment information. We rely on encryption and authentication technology to authenticate and secure the transmission of confidential information, including cardholder information. However, we cannot ensure this technology will prevent breaches of the systems we use to protect cardholder information. Although we maintain network security insurance, we cannot be certain our coverage will be adequate for liabilities actually incurred or insurance will continue to be available to us on reasonable terms, or at all. In addition, some of our partners also collect or possess information about our customers, and we may be subject to litigation or our reputation may be harmed if our partners fail to protect our customers' information or if they use it in a manner inconsistent with our policies and practices. Data breaches can also occur as a result of non- technical issues. Under our contracts with our processors, if there is unauthorized access to, or disclosure of, credit card information we store, we could be liable to the credit card issuing banks for their cost of issuing new cards and related expenses. Moreover, in the future we may explore accepting various forms of payment that may have higher fees and costs than our current payment methods. If our customers utilize alternative payment methods, our payment costs could increase and our operating results could be adversely impacted. Financial Risks Our quarterly and annual operating results and key metrics have varied from period to period in the past, and may fluctuate in the future as a result of a number of factors, many of which are outside of our control, including, among other things: • our ability to attract new customers and retain existing customers; • the timing and success of introductions of new products; • changes in the growth rate of small businesses and ventures; • changes in renewal rates for our subscriptions and our ability to sell additional products to existing customers; • ~~refunds to our customers could be~~ higher than expected **refunds to our customers** ; • the timing of revenue recognition relative to the recording of the related expense; • any negative publicity or other actions which harm our brand; • the timing of our marketing expenditures; • the mix of products sold and our use of" freemium" promotions for those products; • our ability to maintain a high level of personalized customer care and resulting customer satisfaction; • competition in the market for our products; • our ability to expand internationally; • changes in foreign currency exchange rates; • rapid technological change, frequent new product introductions and evolving industry standards; • our ability to implement new financial and other administrative systems; • actual or perceived ~~data security~~ **cybersecurity** incidents; • systems, data center and Internet failures, breaches and service interruptions; • actions by foreign governments that reduce access to the Internet for their citizens; • changes in U. S. or foreign regulations, such as the CCPA and GDPR, that could impact one or more of our product offerings or changes to regulatory bodies, such as ICANN, as well as increased regulation by governments or multi- governmental organizations, such as the International Telecommunications Union, a specialized agency of the United Nations or the E. U., that could affect our business and our industry; • a delay in the authorization of new TLDs by ICANN or our ability to secure operator rights for new TLDs, both of which would impact the breadth of our customer offerings; • any changes in industry rules restricting our ability to hold domains for sale on the aftermarket; • shortcomings in, or misinterpretations of, our metrics and data which cause us to fail to anticipate or identify market trends; • terminations of, disputes with, or material changes to our relationships with third- party partners, including referral sources, product partners and payment processors; • reductions in the selling prices for our products; • costs and integration issues associated with acquisitions we may make; • changes in legislation affecting our collection of indirect taxes both in the U. S. and in foreign jurisdictions; • changes in legislation affecting exposure to liability resulting from actions of our customers; • increases in rates of failed sales on our aftermarket platform for transactions in which we act as the primary obligor, resulting in higher than expected domain portfolio assets; • timing of expenses; • macroeconomic conditions and the related impact on the worldwide economy, including the effects of inflation, deflation or a recession or other adverse economic conditions ~~, any of which may be as a result of the continued uncertainty resulting from the COVID- 19 pandemic or international conflicts such as the Russia- Ukraine military conflict~~ ; • threatened or actual litigation; and • loss of key employees. Any one of the factors above, or the cumulative effect of some of the factors referred to above, may result in significant fluctuations in our quarterly or annual operating results, including fluctuations in our key financial and operating metrics, our ability to forecast those results and our ability to achieve those forecasts. This variability and unpredictability could result in our failing to meet our revenue, bookings or operating results expectations or those of securities analysts or investors for any period. In addition, a **portion** ~~significant percentage~~ of our operating expenses are fixed in nature and based on forecasted revenue and bookings trends. Accordingly, in the event of revenue or bookings shortfalls, we are generally unable to mitigate with commensurate reductions in operating expenses in the short term, which could adversely impact our operating results. We may release guidance in our quarterly earnings conference calls, quarterly earnings releases, or otherwise, based on predictions by management, which are necessarily speculative in nature. Our guidance may vary materially from actual results for a variety of reasons. If our revenue, bookings or other operating results, or the rate of growth of our revenue, bookings or operating results, fall below the expectations of our investors or securities analysts, or below any forecasts or guidance we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met our own or other publicly stated revenue, bookings or earnings forecasts. Our failure to meet our own or other publicly stated revenue, bookings or earnings forecasts, or **failure to meet securities analyst or investor expectations** even when we meet our own forecasts ~~but fall short of securities analyst or investor expectations~~ , could cause our stock price to decline and expose us to lawsuits, including securities class action suits. Such litigation could impose substantial costs and divert management' s attention and resources. We may not be able to ~~achieve or~~ maintain profitability in the future. We had net income of $ **1, 376 million, $** 353 million **and** ~~in 2022, net income of~~ $ 243 million ~~in~~ **for the years ended December 31, 2023, 2022 and** 2021 **respectively** ~~and net loss of $ 494 million in 2020~~ . While we have experienced revenue growth over these periods, we may not be able to sustain or increase our growth or maintain profitability in the future or on a consistent basis. ~~In~~ **We have in** the past ~~12 months~~ , ~~we have experienced lower growth rates in customer demand than in prior years due to factors including the ongoing COVID- 19 pandemic~~ and ~~inflation as well as foreign currency headwinds due to the strength of the U. S. dollar. There remains uncertainty about the levels of customer demand and growth and we~~ may **in the future,** experience lower growth rates in ~~the future~~ **customer demand** due to ~~these~~ factors **including inflation, foreign currency headwinds** and other factors that may not be known **to us** at this time. We have incurred substantial expenses and expended significant resources to market, promote and sell our products. We also expect to continue to invest for future growth and to expand our product offerings. In addition, we expect to continue to incur significant accounting, legal and other expenses as a public company. Furthermore, we have incurred in recent periods, and may incur in future periods, large expenses which are not recurring, but which nonetheless negatively impact our operating results. As a result of our increased expenditures, we will have to generate and sustain increased revenue to maintain future profitability. Maintaining profitability will require us to ensure revenues continue to increase while managing our cost structure and avoiding significant liabilities. Revenue growth may slow or decline, or we may incur significant losses in the future for any reason, including deteriorating general macroeconomic conditions, increased competition, a decrease in the growth of the markets in which we operate **or have business** , or if we fail for any reason to continue to capitalize on growth opportunities. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in losses in future periods. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our financial performance will be harmed and our stock price could be volatile or decline. We may need additional equity, debt or other financing in the future, which we may not be able to obtain on acceptable terms, or at all, and any additional financing may result in restrictions on our operations or substantial dilution to our stockholders. We may need to raise funds in the future, for example, to develop new technologies, expand our business, respond to competitive pressures, refinance our existing indebtedness and make acquisitions or other strategic arrangements. We may try to raise additional funds through public or private financings, strategic relationships or other arrangements ~~,~~ or by refinancing our existing indebtedness. Our ability to obtain any financing will depend on a number of factors, ~~including~~ **such as** market conditions, our operating performance, investor interest and, in the case of debt financing, our then- current debt levels, expected debt amortization, interest rates and our credit rating. Volatility in the credit markets, including due to ~~ongoing uncertainty relating to~~ the **recent bank failures** ~~COVID- 19 pandemic~~ , **including** the ~~ongoing Russia- Ukraine military conflict~~ **closures of Silicon Valley Bank and Signature Bank in March 2023** , as well as the U. S. Federal Reserve Bank' s actions and ~~pace~~ **implementation** of **higher** interest ~~rate~~ **rates** ~~increases~~ to combat inflation in the U. S. **,** may have an adverse effect on our ability to obtain debt financing. Our credit rating may also be affected by our liquidity, financial results, economic risk or other factors, which may increase the cost of future financings. Any additional financing may not be available to us on acceptable terms or at all. If financing is not available, we may be required to reduce expenditures, including curtailing our growth strategies, forgoing acquisitions or reducing our product development efforts. If we succeed in raising additional funds through the issuance of equity or equity-linked securities, then existing stockholders could experience substantial dilution. If we raise additional funds through the issuance of debt securities or preferred stock, these new securities would have rights, preferences and privileges senior to those of the holders of our Class A common stock. In addition, any such issuance could subject us to restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital, respond to competitive pressures and pursue business opportunities, including potential acquisitions. Further, to the extent we incur additional indebtedness or such other obligations, the risks associated with our ~~substantial~~ **significant** debt described **below** ~~elsewhere in this filing~~ , including our possible inability to service our debt, would increase. Additionally, events and circumstances may occur that would cause us to not be able to satisfy applicable draw- down conditions and utilize our revolving line of credit. Although **we are subject to restrictions in the agreements governing** our **indebtedness, including our secured** credit ~~agreements~~ - **agreement** ~~and~~ **(** the ~~indenture governing~~ **Credit Facility) and** our **5. 250 %** Senior Notes ~~limit~~ **due 2027 (the 2027 Senior Notes) and 3. 500 % Senior Notes due 2029 (the 2029 Senior Notes and collectively, the Senior Notes), on** our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and may be amended with the consent of the requisite lenders or holders, as applicable. Accordingly, under certain circumstances, the amount of additional indebtedness that we may incur may be substantial. Because we are generally required to recognize revenue for our products over the term of the applicable agreement, changes in our sales may not be immediately reflected in our operating results. As described in Note 2 to our audited financial statements, we generally recognize revenue from our customers ratably over the respective terms of their subscriptions in accordance with **generally accepted accounting principles in the U. S. (** GAAP **)** . Our ~~subscription~~ **subscriptions** ~~terms average one year, but~~ can range from monthly terms to multi- annual terms of up to 10 years **,** depending on the product. Accordingly, increases in sales during a particular period do not translate into immediate, proportional increases in revenue during such period, and a substantial portion of the revenue we recognize during a quarter is derived from deferred revenue from customer subscriptions we entered into during previous quarters. As a result, our margins may suffer despite substantial sales activity during a particular period, ~~since~~ **because** GAAP does not permit us to recognize all of the revenue from our sales immediately. Conversely, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue for that quarter and the existence of substantial deferred revenue may prevent deteriorating sales activity from becoming immediately observable in our statements of operations. In addition, we may not be able to adjust spending in a timely manner to compensate for any unexpected sales shortfall, and any significant shortfall relative to planned expenditures could negatively impact our business and results of operations. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition. We are subject to income taxes in the U. S. and various foreign jurisdictions, and our domestic and international tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets (DTAs) or liabilities (DTLs) and in evaluating our tax positions ~~on a~~ worldwide ~~basis~~ . While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible these positions may be contested or overturned by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the laws are issued or applied. ~~Many~~ **Numerous** countries **have agreed to** ~~in the E. U., as well as~~ a ~~number~~ **statement in support** of ~~other countries and organizations such as~~ the Organization for Economic **Co-** ~~Cooperation~~ -- **operation** and Development **(OECD) model rules that propose a global minimum tax rate of 15 % for companies with revenue above € 750 million** , **calculated on a country- by- country basis, and E. U. member states have agreed to implement the global minimum tax. Certain countries have enacted or** are **expected** ~~actively considering changes~~ to ~~existing~~ **enact legislation to be effective as early as 2024, with widespread implementation of a global minimum** tax **expected by 2025. We are unable to predict when and how such rules will be enacted into** ~~laws~~ - **law in these countries; however, it is possible** that ~~, if enacted,~~ **the implementation of relevant legislation** could ~~increase~~ **have a material effect on** our **liability for** ~~tax~~ **taxes** ~~obligations in~~ **. We will continue to monitor pending legislation and implementation by individual** countries ~~where we do~~ **and evaluate the potential impact on our** business **in future periods** . Our future effective tax rates could be subject to volatility or adversely affected by **several** ~~a number of~~ factors, including: • changes in the valuation of our DTAs and DTLs; • expected timing and amount of the release of any tax valuation allowances; • tax effects of equity- based compensation; • costs related to intercompany restructurings; • changes in tax laws, regulations or interpretations thereof; and • future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates. In addition, we may be subject to audits of our income, sales and other transaction taxes by federal and state and foreign tax authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition ~~. Our only material asset is our economic interest in Desert Newco, and we are accordingly dependent upon distributions from Desert Newco to pay our expenses, taxes and dividends (if and when declared by our board of directors). As a result of this structure, our ability to pay taxes and expenses may be limited. We are a holding company and have no material assets other than our controlling equity interest in Desert Newco through our direct or indirect ownership of its limited liability company units (LLC Units). We have no independent means of generating revenue or operating cash flows and, as such, we rely on Desert Newco to provide us with funds necessary to meet any financial obligations. Desert Newco is treated as a partnership for U. S. income tax purposes and, as such, is generally not subject to income tax in most jurisdictions. Instead, Desert Newco' s taxable income or loss is passed through to its members, including us. Accordingly, we incur income taxes on our allocable share of any net taxable income of Desert Newco. In addition to tax expenses, we also incur expenses related to our operations. We have caused, and intend to continue to cause, Desert Newco to make distributions to us, as its managing member, in an amount sufficient to cover all expenses, applicable taxes payable and dividends, if any, declared by our board of directors. To the extent we need funds and Desert Newco is restricted from making such distributions under applicable law or regulation or under any present or future debt covenants or otherwise unable to provide such funds, and we do not have sufficient funds to pay tax or other liabilities or to fund our operations, it could materially adversely affect our business, financial condition, results of operations and cash flows~~ . Under certain tax receivable agreements, we will not be reimbursed for any payments made to our pre- IPO owners in the event any related tax benefits are later disallowed, or if sufficient profitability to utilize the related tax savings is not achieved. We entered into certain Tax Receivable Agreements (TRAs) with our pre- IPO owners. Subsequently, we entered into settlement and release agreements with respect to these TRAs (TRA Settlement Agreements), pursuant to which we settled all liabilities under the TRAs in exchange for aggregate payments totaling $ 850. 0 million. If the ~~IRS~~ **Internal**

Revenue Service challenges the tax basis or net operating losses (NOLs) giving rise to payments under the TRAs, and the tax basis or NOLs are subsequently disallowed, the recipients of payments under those agreements will not reimburse us for any payments previously made to them under the TRA Settlement Agreements. ~~Additionally~~ **Also** , if we **cannot** ~~are unable to~~ achieve sufficient profitability in future periods, we will be unable to fully utilize the anticipated tax savings. Any such disallowance of estimated future tax reductions or failure to achieve anticipated tax savings could have a substantial negative impact on our liquidity and limit our ability to invest further in our business, including our ability to pursue future acquisition opportunities and share repurchases. ~~Our substantial~~ **We have a significant amount of** indebtedness, including our ~~credit~~ **Credit** ~~facility~~ **Facility and** ~~, the~~ Senior Notes **. Our level of indebtedness** ~~due in 2027 and the Senior Notes due in 2029, collectively the Senior Notes,~~ could have a material adverse effect on our business and financial condition, including: • requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations and capital expenditures and pursue future business opportunities; • increasing our vulnerability to adverse economic, industry or competitive developments; • exposing us to increased interest expense, as our degree of leverage may cause the interest rates of any future indebtedness, whether fixed or floating rate interest, to be higher than they would be otherwise; • exposing us to the risk of increased interest rates because certain of our indebtedness bears interest at variable rates; • creating a risk of foreclosure if we default on our indebtedness and are unable to pay any accelerated obligations; • making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants, could result in a default accelerating our obligations to repay indebtedness; • restricting us from making strategic acquisitions and / or redeeming or repurchasing shares of our capital stock; • limiting our ability to obtain additional financing for working capital, capital expenditures, product development, satisfaction of debt service requirements, acquisitions and general corporate or other purposes; and • limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be better positioned to take advantage of opportunities our leverage prevents us from exploiting. We may incur significant additional indebtedness in the future. Although the agreements governing our indebtedness contain restrictions on our incurrence of additional indebtedness and entry into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions **,** and we may amend such agreements with the consent of the requisite parties thereto. In addition, these restrictions also do not prevent us from incurring certain obligations, such as trade payables. The agreements governing our indebtedness impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities and making payments on our indebtedness. The agreements governing our indebtedness, including our ~~credit~~ **Credit** ~~facility~~ **Facility** and the Senior Notes, impose significant operating and financial restrictions on us. These restrictions limit the ability of our subsidiaries, and effectively place restrictions on our ability to, among other things: • incur or guarantee additional debt or issue disqualified equity interests; • pay dividends and make other distributions on, or redeem or repurchase, capital stock; • prepay, redeem or repurchase certain junior debt; • make certain investments; • incur certain liens; • enter into transactions with affiliates; • merge, consolidate or make certain other fundamental changes; • enter into agreements restricting the ability of restricted subsidiaries to make certain intercompany dividends, distributions, payments or transfers; and • transfer or sell assets. In addition, our ~~credit~~ **Credit** ~~facility~~ **Facility** requires us to comply with **a** specified leverage ~~ratios~~ - **ratio** under certain circumstances. Our ability to comply with these provisions may be affected by events beyond our control, and these provisions could limit our ability to plan for or react to market conditions, meet capital needs or otherwise conduct our business. As a result of the restrictions described above, we may be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. In addition, the terms of any future indebtedness we may incur could include additional restrictive covenants. There can be no assurance that we will be able to comply with current or additional covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the applicable lenders or holders or amend the covenants. Our failure to comply with current or future restrictive covenants or other current or future terms of indebtedness could result in a default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected. Our ability to ~~service~~ **make interest payments on** our indebtedness ~~and, in particular~~ , repay such indebtedness at maturity **and pay our other expenses, tax liabilities and dividends (if and when declared by our board of directors)** will depend on our cash flow from operations and our compliance with the agreements governing our indebtedness. Economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond our control, may have an adverse effect on our future operating performance and cash flows, which could adversely affect our ability to service our indebtedness and repay such indebtedness at maturity. If we do not generate sufficient cash to service our indebtedness and repay such indebtedness at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to restructure or refinance our debt will depend on the credit or capital markets and our financial condition at such time. Any refinancing of our debt could result in higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Global economic conditions have in the past resulted in the actual or perceived failure or financial difficulties of many financial institutions. As such, it may be difficult to find other sources of capital if needed. The terms of the agreements governing our indebtedness or any such future agreements we may enter into may restrict us from adopting some of these alternatives. In addition, any failure to make scheduled payments on our indebtedness would likely result in a reduction of our credit rating, which could harm our ability to access additional capital on commercially reasonable terms or at all. **We conduct operations worldwide through subsidiaries in various jurisdictions.** Each of our subsidiaries is a distinct legal entity and may be subject to legal or contractual restrictions limiting their ability to make distributions to us, which could negatively affect our ability to ~~service~~ **make interest payments on** our indebtedness ~~and~~ **,** repay such indebtedness at maturity **and pay our other expenses, tax liabilities and dividends (if and when declared by our board of directors)** . For example, our restricted subsidiaries may be able to incur encumbrances containing restrictions on their ability to pay dividends or make other intercompany payments to us. In the event we do not receive sufficient cash from our subsidiaries, we will be unable to make required payments on our indebtedness **, satisfy our other expenses and tax liabilities and fund our operations, which would materially adversely affect our business, financial condition, results of operations and cash flows** . In addition, if we repatriate funds from our international subsidiaries ~~to service our indebtedness~~ , we may be subject to a higher effective tax rate, which could negatively affect our results of operations and financial condition. In the event of a default under our ~~credit~~ **Credit** ~~facility~~ **Facility** , **our** Senior Notes or any future agreements governing our indebtedness and our failure to obtain a waiver of such default, our lenders or **note** holders could exercise their right to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, which could have a negative impact on our ability to operate our business. In addition, the lenders under our ~~credit~~ **Credit** ~~facility~~ **Facility** could also elect to terminate their commitments, cease making further loans and institute foreclosure proceedings, and we may, as a result, seek protection under the U. S. bankruptcy code. We may be required to repurchase some of the Senior Notes upon a change of control triggering event. Holders of the Senior Notes can require us to repurchase the Senior Notes upon a change of control of our company. Our ability to repurchase the Senior Notes may be limited by law or the terms of other agreements relating to our indebtedness. In addition, we may not have sufficient funds to repurchase the Senior Notes or have the ability to arrange necessary financing on acceptable terms, if at all. A change of control of our company may also constitute a default under, or result in the acceleration of the maturity of, our other then- existing indebtedness, including our ~~credit~~ **Credit** ~~facility~~ **Facility** . Our failure to repurchase the Senior Notes would result in a default under the Senior Notes, which may result in the acceleration of the Senior Notes and other then- existing indebtedness, including our ~~credit~~ **Credit** ~~facility~~ **Facility** . We may not have sufficient funds to make any payments triggered by such acceleration, which could result in foreclosure proceedings and our seeking protection under the U. S. bankruptcy code. Legal and Regulatory Risks ICANN is a multi- stakeholder, private sector, not- for- profit corporation formed in 1998 for the express purposes of overseeing a number of Internet related tasks, including managing the DNS allocation of IP addresses, accreditation of domain name registrars and registries and the definition and coordination of policy development for all of these functions. We are accredited by ICANN as a domain name registrar and thus our ability to offer domain name registration products is subject to our ongoing relationship with, and accreditation by, ICANN. ICANN has been subject to strict scrutiny by the public and governments around the world, as well as multi- governmental organizations such as the United Nations, with many of those bodies becoming increasingly interested in Internet governance. If ICANN is not seen as adequately responsive to stakeholder concerns, governments around the world may decide to implement regulatory frameworks independent of ICANN, leading to a fragmentation of the domain name registration system, which could negatively affect our operations and financial results. Additionally, we continue to face the following possibilities: • the ~~new~~ structure and accountability mechanisms contained in ICANN' s bylaws, amended in November 2019, are not fully tested, which may result in ICANN not being accountable to its stakeholders and unable to make, implement or enforce its policies; • the Internet community, key commercial industry participants, the U. S. government or other governments may (i) refuse to recognize ICANN' s authority or support its policies, (ii) attempt to exert pressure on ICANN, or (iii) enact laws in conflict with ICANN' s policies, each of which could create instability in the domain name registration system; • governments, via ICANN' s Governmental Advisory Committee (GAC), may seek greater influence over ICANN policies and contracts with registrars and may advocate changes that may adversely affect our business; • the terms of the Registrar Accreditation Agreement (RAA) under which we are accredited as a registrar or the Registry Agreement (RA) under which we are accredited as a registry, could change in ways that are disadvantageous to us or under certain circumstances could be terminated by ICANN, thereby preventing us from operating our registrar or registry service, or ICANN could adopt unilateral changes to the RAA or RA that are unfavorable to us, that are inconsistent with our current or future plans, or that affect our competitive position; • international regulatory or governing bodies, such as the International Telecommunications Union, a specialized agency of the United Nations, or the ~~EU~~ **E. U.** , may gain increased influence over the management and regulation of the domain name registration system, leading to increased regulation in areas such as taxation, privacy and the monitoring of our customers' hosted content; • ICANN or any third- party registries may implement policy changes impacting our ability to run our current business practices throughout the various stages of the lifecycle of a domain name; • the U. S. Congress or other legislative bodies in the U. S. could take action unfavorable to us, influencing customers to move their business from our products to those located outside the U. S.; • **the** U. S. Congress or other legislative bodies in the U. S. could adopt regulations that are in direct conflict with other jurisdictions (e. g., the E. U.), which could fragment our platform and product offerings; • the U. S. Congress or other legislative bodies in the U. S. or in other countries could adopt laws that erode the safe harbors from third- party liability in the CDA (Section 230) and the Digital Millennium Copyright Act; • ICANN could fail to maintain its role, potentially resulting in instability in DNS services administration and operation; • our ~~recent acquisition of several registry businesses~~ -- **business as a** ~~, resulting in the~~ vertically integrated operation of a registrar and registry ~~,~~ could lead to increased regulatory scrutiny; • governments and governmental authorities may impose requirements for, or prohibit, the registration of domain names containing certain words or phrases; • some governments and governmental authorities outside the U. S. have in the past disagreed, and may in the future disagree, with the actions, policies or programs of ICANN and registries relating to the DNS, which could fragment the single, unitary Internet into a loosely- connected group of one or more networks, each with different rules, policies and operating protocols; ~~and~~ • multi- party review panels established by ICANN' s ~~new~~ bylaws may take positions unfavorable to **our business; and • changes in ICANN leadership could introduce uncertainty that could delay or postpone programs, such as the next round of new gTLD applications, and that could have a material impact on** our business. If any of these events occur, they could create instability in the domain name registration system and may make it difficult for us to continue to offer existing products and introduce new products, or serve customers in certain international markets. These events could also disrupt or suspend portions of our domain name registration product and subject us to additional restrictions on how the registrar and registry products businesses are conducted, which would result in reduced revenue. In addition, the requirements of the privacy laws around the world, including the GDPR and laws within the U. S., are known to be in conflict with ICANN' s policies and contracts related to how registrars collect, transmit and publish the personal information of domain name registrants in publicly accessible WHOIS directories. Although ICANN implemented a temporary policy to alleviate some of these conflicts, we are working with ICANN and our industry counterparts to reconcile these conflicts. If ICANN is unable or unwilling to harmonize these policies and contracts with applicable privacy laws, our efforts to comply with applicable laws may cause us to violate our existing ICANN contractual obligations. As a result, we could experience difficulties in selling domain names and keeping our existing customer domain names under management if we are unable to reach an amicable contractual solution with ICANN, which could have a material adverse effect on our operations and revenue. ICANN periodically authorizes the introduction of new TLDs. A delay in access to new TLDs could adversely impact our business, results of operations and reputation. ICANN has periodically authorized the introduction of new TLDs and made domain names related to them available for registration. In 2012, ICANN significantly expanded the number of gTLDs through the first application round of the Expansion Program. This resulted in the delegation of new gTLDs in 2014. ~~However, since~~ **Since** 2014, ICANN has ~~neither~~ **not yet** opened the second ~~application~~ round ~~nor provided an indication~~ of ~~when such round will be open~~ **applications for new gTLDs, but continues to work towards doing so** . Our competitive position depends in part on our ability to gain access to these new TLDs. A significant portion of our business relies on our ability to sell domain name registrations to our customers, and any limitations on our access to newly created TLDs could adversely impact our ability to sell domain name registrations to customers, and thus could adversely impact our business. Furthermore, ~~our acquisition of Neustar' s registry business in 2020, and our entry into the registry business, means~~ GoDaddy Registry is also impacted by delays of future gTLD application rounds. Although we expect to continue to sell and pursue operator rights for new gTLDs as they are introduced, our ability to obtain these rights, gain contracts to provide backend registry services, or sell new domains to our customers may be adversely impacted if the Expansion Program does not continue. In addition, if a new application round of the Expansion Program is not opened in the future, the reputation of the industry and our business and the financial and operational aspects of our business may be harmed. The relevant domain name registry and ICANN impose a charge upon each registrar for the administration of each domain name registration. If these fees increase, it would have a significant impact upon our operating results. Each registry typically imposes a fee in association with the registration of each domain name. For example, VeriSign, the registry for. com and. net, has a current list price of $ ~~8~~ **9** . ~~97~~ **59** annually for each. com ~~and. net~~ registration, and ICANN currently charges $ 0. 18 annually for most domain names registered in the gTLDs falling within its purview. In 2016, VeriSign and ICANN agreed that VeriSign will continue to be the exclusive registry for the. com gTLD through November 2024. In 2018, ~~Verisign~~ **VeriSign** and the U. S. Department of Commerce agreed to extend their Cooperative Agreement through 2024. As part of that extension, ~~Verisign~~ **VeriSign** has the right to raise. com wholesale prices up to 7 % (per registration year) each year starting in November 2020, subject to ICANN' s approval. In March 2020, VeriSign and ICANN amended the. com registry agreement to allow fees to be increased to no more than $ 10. 26 annually for each. com registration. ~~In September 2022, Verisign~~ **VeriSign has** increased **such fees in recent years and in February 2024, VeriSign announced it would increase** the annual registry- level wholesale fee for new and renewal. ~~net domain name registrations from $ 8. 39 to $ 8. 97, and in February 2023, Verisign announced it would increase the annual registry- level wholesale fee for new and renewal.~~ com domain name registrations from $ ~~8~~ **9** . ~~97~~ **59** to $ ~~9~~ **10** . ~~59~~ **26** , effective September 1, ~~2023~~ **2024** . If fees continue to increase, costs to our customers could be higher, which could have an adverse impact on our results of operations. We have no control over ICANN, VeriSign or other domain name registries and cannot predict their future fee structures. While we do not currently do so, we have the discretion to impose service fees on our customers in the future. In addition, pricing of new gTLDs is generally not set or controlled by ICANN, which in certain instances has resulted in aggressive price increases on certain particularly successful new gTLDs. The increase in these fees with respect to any new gTLD either must be included in the prices we charge to our customers, imposed as a surcharge or absorbed by us. If we absorb such cost increases or if surcharges result in decreases in domain registrations, our business, operating results and financial performance may be adversely affected. We are subject to a variety of laws and regulations, including regulation by various federal government agencies, including the FTC, FCC and state and local agencies, as well as **privacy,** data ~~privacy~~ **protection** and ~~security~~ **cybersecurity** laws in jurisdictions outside of the U. S. We collect personal **, sensitive and confidential** information, including payment card information ~~, and other confidential data~~ from our current and prospective customers, website users and employees. The U. S. federal and various **U. S.** state and foreign governments have adopted or proposed limitations on, or requirements regarding, the collection, distribution, use, security and storage of personal **, sensitive and confidential** information ~~or other confidential data of individuals~~ , including payment card information, and the FTC and many state attorneys general are applying federal and state consumer protection laws to impose standards on the online collection, use and dissemination of ~~data~~ **personal, sensitive and confidential information, including payment card information** . Self- regulatory obligations, other industry standards, policies and other legal obligations may apply to our collection, distribution, use, security or storage of personal **, sensitive and confidential** information ~~or other data relating to individuals~~ , including payment card information. These obligations may be interpreted and applied inconsistently from one jurisdiction to another and may conflict with one another, other regulatory requirements or our internal practices. Any failure or perceived failure by us to comply with U. S., E. U. or other foreign privacy or security laws, policies, industry standards or legal obligations or any security incident resulting in the unauthorized access to, or acquisition, release or transfer of, personal **, sensitive and confidential** information ~~or other confidential data relating to our customers, employees and others~~ , including payment card information **of our customers, employees or others** , may result in governmental enforcement actions, litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. We expect there will continue to be newly enacted and proposed laws and regulations as well as emerging industry standards concerning privacy, data protection **,** ~~and information security~~ **cybersecurity and AI** in the U. S., the E. U. and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Such laws, regulations, standards and other obligations could impair our ability to, or the manner in which we, collect or use information to target advertising to our customers, thereby having a negative impact on our ability to maintain and grow our total customers and increase revenue. For example, California enacted the California Consumer Protection Act **, as amended by the California Privacy Rights Act** (**CPRA, and collectively,** CCPA) that, among other things, requires covered companies to provide ~~new~~ **certain** disclosures to California ~~consumers~~ **residents** and afford such ~~consumers new~~ **residents certain** rights, including the right to opt- out of ~~certain~~ **the** ~~sales~~ - **sale or sharing** of **their** personal information **,** or opt- into certain financial incentive programs. ~~On November 4, 2020, the CPRA, was passed by California voters replacing and amending several~~ **Several** ~~parts of the existing CCPA. The new Act came into effect beginning January 1, 2023. To date, we have not incurred significant cost or impact regarding our data processing practices due to the requirements of CCPA and CPRA. However,~~ other states have enacted ~~or~~ **, and others** are considering **enacting,** similar ~~legislation~~ **data privacy and cybersecurity laws** that **may require disclosures or notices to consumers and the recognition of certain rights relating to personal information, any of which** may require us to modify our data processing practices **in the future,** for which the cost and impact are currently not predictable. Future restrictions on the collection, use, sharing or disclosure of our users' data or additional requirements for express or implied consent of users for the use, disclosure or other processing of such information could increase our operating expenses, require us to modify our products, possibly in a material manner, or stop offering certain products, and could limit our ability to develop and implement new product features. In particular, with regard to transfers to the U. S. of personal data (as such term is used in the GDPR and applicable E. U. member state legislation, and as similarly defined under the proposed ePrivacy Regulation) from our employees **based in Europe** and European customers and users, we historically relied upon the E. U.- U. S. Privacy Shield, as well as E. U. Model Clauses in certain circumstances. The E. U.- U. S. Privacy Shield was invalidated by the Court of Justice of the E. U. **(CJEU)** in July 2020 (Schrems II), and the E. U. Model Clauses have been subject to legal challenge and were updated in June 2021. Following Schrems II, we have an ongoing process to ~~review~~ **utilize** Data Processing Agreements with our **customers** ~~sub- processors~~ and **vendors** , where there is a transfer involving a third country, to incorporate ~~valid~~ **other** data transfer mechanisms, such as the 2021 Standard Contractual Clauses (SCCs) **,** for personal data transfers between E. U. and non- E. U. countries without an adequacy decision from the European Commission. We will continue to transfer personal data ~~under~~ **pursuant to** the SCCs ~~and in accordance with further guidance from EU data protection authorities and~~ **, but the CJEA has indicated that sole reliance on SCCs for transfers of personal information outside** the European ~~Data Protection Board where relevant,~~ **Economic Area may not be sufficient in all circumstances** and ~~we are preparing to adopt~~ the ~~proposed~~ **transfers must be assessed on a case- by- case basis. On July 10, 2023, the European Commission' s adequacy decision for the** E. U.- U. S. Data Privacy Framework ~~, should it be approved by~~ **(DPF) entered into effect and** the E. U. ~~Further, we continue to implement appropriate technical~~ **- U. S. DPF Principles (DPF Principles) entered into effect the same date. The DPF** and ~~organizational measures to ensure~~ **the DPF Principles provide** a **new mechanism** ~~level of security appropriate to the risks associated therewith. Notwithstanding the aforementioned measures, we may be unable to maintain legitimate means~~ for ~~our transfer~~ **transferring** ~~and receipt of~~ personal data from the European Economic Area (EEA) **to the U. S., with the European Commission having determined that data transfers to the U. S. made by companies who have self- certified their adherence to the DPF and DPF Principles provides a level of data protection comparable to the protection offered in the E. U. However, this decision is facing legal challenges and ultimately may be invalidated by the CJEU just as was the E. U.- U. S. Privacy Shield. On July 17, 2023, the U. S. Department of Commerce recognized several GoDaddy entities, including Go Daddy Operating Company, LLC, as having self- certified their adherence to the DPF by virtue of their prior self- certification under the E. U.- U. S. Privacy Shield. We have updated our global privacy notice and certain other documents, as required by the DPF. If the E. U.- U. S. DPF is invalidated or it is determined that we are not eligible to continue to transfer personal data pursuant to the DPF, we intend to continue to rely upon the 2021 SCCs as an alternative transfer mechanism. In addition, the UK and the U. S. recently entered into an agreement regarding an extension of the E. U.- U. S. Data Privacy Framework to provide a new mechanism for transfer of personal data from the UK to the U. S., which is described as the UK- U. S. Data Bridge. We have self- certified our compliance with the UK- U. S. Data Bridge. If the UK- U. S. DPF is invalidated or it is determined that we are not eligible to continue to transfer personal information pursuant to the DPF, we intend to continue to rely upon the UK International Data Transfer Agreement for transfers of personal data from the UK to the U. S. Our failure or inability to comply with all requirements of the DPF or a challenge to our use of the 2021 SCCs could limit our ability to transfer data from the E. U., EEA, and UK to the U. S. However, we continue to implement appropriate technical and organizational measures to ensure a level of security appropriate to the risks associated herewith. Notwithstanding the aforementioned measures, we may be unable to maintain legitimate means for our transfer and receipt of personal data from the E. U. and the EEA** . We may, in addition to other impacts, experience additional costs associated with increased compliance burdens, and we and our customers face the potential for regulators in the EEA to apply different standards to the transfer of personal data from the EEA to the U. S., and to block, or require ad hoc verification of measures taken with respect to certain data flows from the EEA to the U. S. We also may be required to engage in new contract negotiations with third parties that aid in processing data on our behalf. We may experience reluctance or refusal by current or prospective European customers to use our products, and we may find it necessary or desirable to make further changes to our handling of personal data of EEA residents. The regulatory environment applicable to the handling of EEA residents' personal data, and our actions taken in response, may cause us to assume additional liabilities or incur additional costs and could result in our business, operating results and financial condition being harmed. Additionally, we and our customers may face a risk of enforcement actions by data protection authorities in the EEA relating to personal data transfers to us and by us from the EEA. Any such enforcement actions could result in substantial costs and diversion of resources, distract management and technical personnel and negatively affect our business, operating results and financial condition. In addition, several **other** foreign countries and governmental bodies ~~, including the E. U., Brazil, India and Canada,~~ have laws and regulations concerning the collection ~~and~~ **,** use **, transfer and other processing** of their residents' personal information, including payment card information, which are often more restrictive than those in the U. S. Although we believe we comply with those laws and regulations applicable to us, these obligations may be modified and interpreted in different ways by courts, and new laws and regulations may be enacted in the future. Within the EEA, the GDPR took full effect on May 25, 2018, and became directly applicable to companies established across E. U. member states. As the GDPR is a regulation rather than a directive, it applies throughout the EEA, but permits member states to enact certain supplemental requirements if they so choose. The GDPR also has broad extraterritorial effect on companies established outside the EEA, with stringent requirements for processors and controllers of personal data **,** and imposes significant penalties for non- compliance. Noncompliance with the GDPR can trigger fines of up to the greater of € 20 million or 4 % of global annual revenues. The UK exited the E. U. effective January 31, 2020, which has created uncertainty with regard to the regulation of data protection in the UK. In June 2021, the European Commission adopted an adequacy decision for data transfers from the E. U. to the UK. Nevertheless, this adequacy decision may be revisited and it remains to be seen how the UK' s withdrawal from the E. U. will impact the manner in which UK data protection laws or regulations will develop and how data transfers to and from the UK will be regulated and enforced by the UK Information Commissioner' s Office, E. U. data protection authorities, or other regulatory bodies in the longer term. In addition, some countries, such as India, are considering or have enacted legislation requiring local storage and processing of data that could increase the cost and complexity of delivering our services. On October 27, 2022, the ~~European Union~~ **E. U.** published the Digital Services Act (DSA) in its Official Journal. The DSA, which requires governed companies to comply with its provisions beginning the first quarter of 2024, imposes new content moderation obligations, notice obligations, advertising restrictions and other requirements on digital intermediaries, including providers of intermediary services, hosting services ~~,~~ **and** online platforms, **which will cover certain products** ~~Very Large Online Platforms (VLOPs)~~ and ~~Very Large Online Search Engines (VLOSEs)~~ **services provided by the company and affiliate brands operating within the E. U** . Noncompliance with the DSA could result in fines of up to 6 % of annual global revenues, which are in addition to the ability of civil society organizations and non- governmental organizations to lodge class action lawsuits. Any new laws, regulations, other legal obligations or industry standards, or any changed interpretation of existing laws, regulations or other standards may require us to incur additional costs and restrict our business operations. For example, many jurisdictions have enacted laws requiring companies to notify individuals of ~~data security~~ **cybersecurity** breaches involving certain types of personal data. These mandatory disclosures regarding a security breach, or any other disclosures we may choose to undertake, could result in an increased risk of litigation and / or negative publicity to us, which may cause our customers to lose confidence in the effectiveness of our ~~data security~~ **cybersecurity** measures which could impact our operating results. In addition, we are required under the GDPR **and other privacy laws (including the UK version of the GDPR and U. S. state privacy laws)** to respond to **certain** customers' **data** subject access requests (~~SARs~~ **DSARs**) ~~and under the CCPA to similar customer requests~~ , each within a certain time period, which **can** ~~entails~~ - **entail** ~~determining~~ **responding to requests to know, access, correct, delete or transfer personal information we process. We may also be required to disclose** what **specific data we disclose or sell to, or share with, third parties. We are also required under the GDPR and other data privacy laws (including the UK version of the GDPR and U. S. state privacy laws) to honor certain customers' requests relating to our use of customers'** personal **information** ~~data is being processed, the purpose of any such data processing, to whom such personal data has been disclosed (and in the case of the CCPA, sold) and whether personal data is being disclosed~~ for ~~the~~ **marketing and advertising** ~~purpose~~ **purposes** ~~of making automated decisions relating to that customer~~ . We may dedicate significant resources to responding to our customers' ~~SARs~~ **DSARs** , which could have a negative impact on our operating results. In addition, a failure to respond to ~~SARs~~ **DSARs** properly could result in fines, negative publicity and damage to our business. If our privacy or ~~data security~~ **cybersecurity** measures fail to comply with current or future laws, regulations, policies, legal obligations or industry standards, or are perceived to have done so, we **have in the past been, and** may be **in the future,** subject to litigation ~~,~~ **and / or** regulatory investigations ~~such as~~ **(including** the FTC investigation discussed above **)** , **and may incur** fines or other liabilities, as well as negative publicity and a potential loss of business. Moreover, if future laws, regulations, other legal obligations or industry standards, or any changed interpretations of the foregoing, limit our customers' ability to use and share personal information, including payment card information, or our ability to store, process and share such personal information or other data, demand for our products could decrease, our costs could increase and our business, operating results and financial condition could be harmed. Activities of customers or the content of their websites could damage our reputation and brand or harm our business and financial results. As a provider of **Core Platform** ~~domain name registration, hosting~~ and ~~presence~~ **Applications and Commerce** products, we may be subject to potential liability and negative publicity for our customers' activities on or in connection with their domain names, their websites or for the data they store on our servers. In addition, as we expand our social media management and professional web services, we may be subject to potential liability for content we create on behalf of our customers. Although our terms of service prohibit the illegal use of our products by our customers and permit us to take down or suspend websites or take other appropriate actions in response to illegal uses, customers may nonetheless engage in prohibited activities or upload or store content on our products in violation of applicable law or the customer' s own policies, which could subject us to liability. Furthermore, our reputation and brand may be negatively impacted by customer actions and website content that are deemed hostile, offensive or inappropriate. We do not proactively monitor or review the appropriateness of the domain names our customers register or the content of their websites, and we do not have control over customer activities. The safeguards we have in place may not be sufficient to avoid harm to our reputation and brand, especially if such hostile, offensive or inappropriate customer content is high profile or misinterpreted as content supported by us. Several U. S. federal statutes may apply to us with respect to various activities of our customers, including: • The Anti- Cybersquatting Consumer Protection Act (ACPA) provides recourse for trademark owners against cybersquatters. Under the safe harbor provisions of the ACPA, domain name registrars are shielded from liability in many circumstances, including cybersquatting, although the safe harbor provisions may not apply if our activities are deemed outside the scope of registrar functions. • The Digital Millennium Copyright Act (DMCA) provides recourse for owners of copyrighted material whose rights under U. S. copyright law have been infringed on the Internet. The safe harbor provisions of the DMCA, however, shield Internet service providers and other intermediaries from direct or indirect liability for copyright infringement, provided that we follow the procedures for handling copyright infringement claims set forth in the DMCA. These include expeditiously removing or disabling access to the allegedly infringing material upon the receipt of a proper notice from, or on behalf of, a copyright owner alleging infringement of copyrighted material located on websites we host. • The Communication Decency Act (CDA) generally protects Internet service providers that do not create or develop website content posted by customers from liability for certain activities of customers through regulation of Internet content unrelated to intellectual property. Under the CDA, we are generally not responsible for the customer- created content hosted on our servers and thus are generally immunized from liability for torts arising from, for example, the posting of defamatory or obscene content. As we increasingly create content for our customers, we may not be able to rely on such safe harbors **,** and we may be held liable for such content under the DMCA and the CDA. Notwithstanding the exculpatory language of these bodies of law, the activities of our customers have resulted in, and may in the future result in, threatened or actual litigation against us. Although the ACPA, DMCA, CDA and relevant U. S. case law have generally shielded us from liability for customer activities to date, court rulings in pending or future litigation or future regulatory or legislative amendments may narrow the scope of protection afforded us under these laws. Additionally, neither the DMCA nor the CDA generally apply to claims of trademark violations, and thus they may be inapplicable to many of the claims asserted against our company. Furthermore, there have been, and continue to be, various Congressional and executive efforts to remove or restrict the scope of the protections available under Section 230 of the CDA, which if successful could decrease our current protections from liability for third- party content and increase our litigation costs. In addition, other bodies of law, including state criminal laws, may be deemed to apply or new statutes or regulations may be adopted in the future, any of which could expose us to further liability and increase our costs of doing business. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results. For example, the Stop Enabling Sex Traffickers Act and the Allow States and Victims to Fight Online Sex Trafficking Act may limit the immunity previously available to us under the CDA, which could subject us to investigations or penalties if our customers' activities are deemed illegal or inappropriate. In addition, the DSA, a package of legislation intended to update the liability and safety rules for digital platforms, products and services, could negatively impact the scope of the limited immunity provided by the E- Commerce Directive in the ~~EU~~ **E. U** . Our products depend on the ability of our customers to access the Internet. Currently, this access is provided by companies having significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies and government- owned service providers. Some of these providers can take measures including legal actions, that could degrade, disrupt or increase the cost of user access to certain of our products by restricting or prohibiting the use of their infrastructure to support our offerings, charging increased fees to our users to provide our offerings, or regulating online speech. In some jurisdictions, such as China, our products and services may be subject to government- initiated restrictions, fees or blockages. Such interference could result in a loss of existing users, advertisers and goodwill or increased costs, or could impair our ability to attract new users, thereby harming our revenue and growth. Moreover, the adoption of any laws or regulations adversely affecting the growth, popularity or use of the Internet, including laws impacting Internet neutrality, could decrease the demand for our products and increase our operating costs. The legislative and regulatory landscape regarding the regulation of the Internet and, in particular, Internet neutrality, in the U. S. is subject to uncertainty. To the extent any laws, regulations or rulings permit Internet service providers to charge some users higher rates than others for the delivery of their content, Internet service providers could attempt to use such law, regulation or ruling to impose higher fees or deliver our content with less speed, reliability or otherwise on a non- neutral basis as compared to other market participants, and our business could be adversely impacted. Internationally, government regulation concerning the Internet, and in particular, network neutrality, may be developing or non- existent. Within such a regulatory environment, we could experience discriminatory or anti- competitive practices impeding both our and our customers' domestic and international growth, increasing our costs or adversely affecting our business. Additional changes in the legislative and regulatory landscape regarding Internet neutrality, or otherwise regarding the regulation of the Internet, could harm our business, operating results and financial condition. **.** To date,government regulations have not materially restricted use of the Internet in most parts of the world.However,the legal and regulatory environment relating to the Internet is uncertain,and governments may impose regulation in the future.New laws may be passed,courts may issue decisions affecting the Internet,existing but previously inapplicable or unenforced laws may be deemed to apply to the Internet or regulatory agencies may begin to more rigorously enforce such formerly unenforced laws,or existing legal safe harbors may be narrowed,both by U.S.federal or state governments and by governments of foreign jurisdictions.The adoption of any new laws or regulations,or the narrowing of any safe harbors,could hinder growth in the use of the Internet and online services generally,and decrease acceptance of the Internet and online services as a means of communications,e-commerce and advertising.In addition,such changes in laws could increase our costs of doing business or prevent us from delivering our services over the Internet or in specific jurisdictions,which could harm our business and our results of operations ~~.~~ From time to time, we are involved in lawsuits, including class action lawsuits, ~~that~~ **which** are expensive and time consuming and could adversely affect our business, financial condition and results of operations. In addition to intellectual property claims, we are also involved in other types of litigation and claims, including claims relating to commercial disputes, consumer protection and employment, such as harassment. For example, we have faced or continue to face claims related to the Fair Labor Standards Act, the Telephone Consumer Protection Act, the Americans with Disabilities Act and the Arizona Consumer Fraud Act (and similar federal, state and international consumer protection statutes, including the Brazil Consumer Protection Code). In particular, in the past, we have settled class action complaints alleging violations of the Telephone Consumer Protection Act. Plaintiffs in such current and future litigation matters often file such lawsuits on behalf of a putative or certified class and typically claim substantial statutory damages and attorneys' fees, and often seek changes to our products, features or business practices. Although the results of any such current or future litigation, regardless of the underlying nature of the claims, cannot be predicted with certainty, the final outcome of any current or future claims or lawsuits we face could adversely affect our business, financial condition and results of operations. Any negative outcome from claims or litigation, including settlements, could result in payments of substantial monetary damages or fines, attorneys' fees or costly and significant and undesirable changes to our products, features, marketing efforts or business practices. As we expand our international ~~operations~~ **business** , we have experienced an increase in litigation occurring outside of the U. S., due in part to consumer- friendly laws and regulations in certain countries and legal systems with limited experience with claims related to the domain industry. Defending such litigation is costly and time consuming. The outcome of such litigation may not be the same as similar litigation in the U. S., which may have an adverse effect on our business, financial condition and results of operations. Further, claims or litigation brought against our customers or business partners may subject us to indemnification obligations or obligations to refund fees to, and adversely affect our relationships with, our customers or business partners. Such indemnification or refund obligations or litigation judgments or settlements that result in the payment of substantial monetary damages, fines and attorneys' fees may not be sufficiently covered by our insurance policies, if at all. In addition, during the course of any litigation, regardless of its nature, there could be public announcements of the results of hearings, motions, preliminary rulings or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the trading price of our Class A common stock. Regardless of whether any claims against us have any merit, these claims are time- consuming and costly to evaluate and defend, and can impose a significant burden on management and employees. Further, because of the substantial amount of discovery required in connection with litigation, there is a risk that some of our confidential business or other proprietary information could be compromised by disclosure. Failure to adequately protect and enforce our intellectual property rights could substantially harm our business and operating results. The success of our business depends in part on our ability to protect and enforce our patents, trademarks, copyrights, trade secrets and other intellectual property rights. We attempt to protect our intellectual property under patent, trademark, copyright and trade secret laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. As of December 31, ~~2022~~ **2023** , we had ~~353~~ **368** issued patents in the U. S. **and other countries** covering various aspects of our product offerings. Additionally, as of December 31, ~~2022~~ **2023** , we had ~~9~~ **12** pending U. S. **and international** patent applications and intend to file additional patent applications in the future. The process of obtaining patent protection is expensive and time- consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations or in certain jurisdictions, and may choose to abandon patents that are no longer of strategic value to us, in each case even if those innovations have financial value to us. In addition, under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope. Furthermore, it is possible that our patent applications may not issue as granted patents, that the scope of our issued patents will be insufficient or not have the coverage originally sought, that our issued patents will not provide us with any competitive advantages, and that our patents and other intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. In addition, issuance of a patent does not assure that we have an absolute right to practice the patented invention, or that we have the right to exclude others from practicing the claimed invention. As a result, we may not be able to obtain adequate patent protection or to enforce our issued patents effectively. In addition to patented technology, we rely on our unpatented proprietary technology and confidential proprietary information, including trade secrets and know- how. Despite our efforts to protect the proprietary and confidential nature of such technology and information, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. The contractual provisions in confidentiality agreements and other agreements we generally enter into with employees, consultants, partners, vendors and customers may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or intellectual property rights. Moreover, policing unauthorized use of our technologies, products and intellectual property rights is difficult, expensive and time- consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the U. S. and where mechanisms for enforcement of intellectual property rights may be weak. To the extent we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information may increase. We may be unable to determine the extent of any unauthorized use or infringement of our products, technologies or intellectual property rights. As of December 31, ~~2022~~ **2023** , we had ~~688~~ **583** registered **and 25 pending** trademarks in ~~countries~~ **jurisdictions** including the **U. S., E. U.,** UK ~~, U. S.~~ , China and Germany; we have also filed a trademark application for ~~the new~~ GoDaddy **Airo** ~~logo and mark and a word mark application for Open We Stand~~ . We have also registered, or applied to register, the trademarks associated with several of our leading brands in the U. S. and in certain other countries, including for our ~~new~~ logo launched in January 2020, the" Go." Competitors and others may have adopted, and in the future may adopt, tag lines or service or product names similar to ours, which could impede our ability to build our brands' identities and possibly lead to confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered and common law trademarks or trademarks incorporating variations of the terms or designs of one or more of our trademarks and opposition filings made when we apply to register our trademarks.

From time to time, legal action by us may be necessary to enforce our patents, trademarks and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the intellectual property rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources, distract management and technical personnel and negatively affect our business, operating results and financial condition. If we are unable to protect our intellectual property rights, we may find ourselves at a competitive disadvantage. Any inability on our part to protect adequately our intellectual property may have a material adverse effect on our business, operating results and financial condition. We are involved in intellectual property claims and litigation asserted by third parties ~~,~~ and may be subject to additional claims and litigation in the future, which could result in significant costs and substantial harm to our business and results of operations. In recent years, there has been significant litigation in the U. S. and abroad involving patents and other intellectual property rights. Companies providing web- based and cloud- based products are increasingly bringing, and becoming subject to, suits alleging infringement of proprietary rights, particularly patent rights. The possibility of intellectual property infringement claims also may increase to the extent we face heightened competition and become more visible. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. In addition, our exposure to risks associated with the use of intellectual property may increase as a result of acquisitions we make or our use of software licensed from or hosted by third parties, as we have less visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after we have acquired or licensed technology that had not been asserted prior to our acquisition or license. Many companies are devoting significant resources to obtaining patents that could affect many aspects of our business. This may prevent us from deterring patent infringement claims, and our competitors and others may now and in the future have larger and more mature patent portfolios than we have. We have faced in the past, are currently facing, and expect to face in the future, claims and litigation by third parties that we infringe upon or misappropriate their intellectual property rights. Defending patent and other intellectual property claims and litigation is costly and can impose a significant burden on management and employees, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, plaintiffs may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to cease offering certain of our products or features. We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that may not be reversed upon appeal. The terms of such a settlement or judgment may require us to cease offering certain of our products or features or pay substantial amounts to the other party. In addition, we may have to seek a license to continue practices found to be in violation of a third party' s rights, which may not be available on reasonable terms, or at all, and may significantly increase our operating costs and expenses. As a result, we may also be required to develop alternative non- infringing technology or discontinue offering certain products or features. The development of alternative non- infringing technology, products or features could require significant effort and expense or may not be feasible. Our business, financial condition and results of operations could be adversely affected by intellectual property claims or litigation. As a provider of web- based and cloud- based products, including as a registrar of domain names and related products, we may become aware of disputes over ownership or control of customer accounts, websites or domain names. We could face potential liability for our failure to renew a customer' s domain. We could also face potential liability for our role in the wrongful transfer of control or ownership of accounts, websites or domain names. The safeguards and procedures we have adopted may not be successful in insulating us against liability from such claims in the future. Moreover, any future amendment to Section 230 of the CDA may increase our liability and could expose us to civil or criminal liability for the actions of our customers, if we do not effectively detect and mitigate these risks. In addition, we may face potential liability for other forms of account, website or domain name hijacking, including misappropriation by third parties of our customer accounts, websites or domain names and attempts by third parties to operate accounts, websites or domain names or to extort the customer whose accounts, websites or domain names were misappropriated. Furthermore, we are exposed to potential liability as a result of our domain privacy product, whereby the identity and contact details for the domain name registrant are masked. Although our terms of service reserve our right to take certain steps when domain name disputes arise related to our privacy product, including the removal of our privacy service, the safeguards we have in place may not be sufficient to avoid liability, which could increase our costs of doing business. Occasionally, one of our customers may register a domain name identical, or similar, to a third party' s trademark or the name of a living person. These occurrences have in the past and may in the future lead to our involvement in disputes over such domain names. Disputes involving registration or control of domain names are often resolved through the Uniform Domain Name Dispute Resolution Policy (UDRP), ICANN' s administrative process for domain name dispute resolution, or less frequently through litigation under the ACPA, or under general theories of trademark infringement or dilution. The UDRP generally does not impose liability on registrars, and the ACPA provides that registrars may not be held liable for registration or maintenance of a domain name absent a showing of the registrar' s bad faith intent to profit from the trademark at issue. However, we may face liability if we act in bad faith or fail to comply in a timely manner with procedural requirements under these rules, including forfeiture of domain names in connection with UDRP actions. In addition, domain name registration disputes and compliance with the procedures under the ACPA and UDRP typically require at least limited involvement by us and, therefore, increase our cost of doing business. The volume of domain name registration disputes may increase in the future as the overall number of registered domain names increases. Moreover, as the owner or acquiror of domain name portfolios containing domains we provide for resale, we may face liability if one or more domain names in our portfolios, or our resellers' portfolios, are alleged to violate another party' s trademark. Although we screen the domain names we acquire to mitigate the risk of third- party infringement claims, we, or our resellers, may inadvertently register or acquire domains that infringe or allegedly infringe third- party rights. If intellectual property laws diverge internationally or are interpreted inconsistently by local courts, we may be required to devote additional time and resources to enhancing our screening program in international markets. For example, we are involved in a large number of claims in India involving the registration of domain names alleged to incorporate strings of text matching third **-** party trademarks. While these claims are individually and collectively immaterial, they may require additional time and resources to resolve, and as we expand internationally, we face additional intellectual property claims. Moreover, advertisements displayed on websites associated with domains registered by us may contain allegedly infringing content placed by third parties. We may face liability and increased costs as a result of such third- party infringement claims. Our use of open source technology could impose limitations on our ability to commercialize our products. We use open source software in our business, including in our products. It is possible that some open source software is governed by licenses containing requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in certain manners. Although we monitor our use of open source software in an effort to avoid subjecting our products to conditions we do not intend, we cannot be certain all open source software is reviewed prior to use in our proprietary software, that programmers working for us have not incorporated open source software into our proprietary software, or that they will not do so in the future. Any requirement to disclose our proprietary source code or to make it available under an open source license could be harmful to our business, operating results and financial condition. Furthermore, the terms of many open source licenses have not been interpreted by U. S. courts. As a result, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products. In such an event, we could be required to seek licenses from third parties to continue offering our products, to make our proprietary code generally available in source code form, to re- engineer our products or to discontinue the sale of our products if re- engineering could not be accomplished on a timely basis, any of which could adversely affect our business, operating results and financial condition. Data localization requirements in certain jurisdictions in which we operate **or maintain business** may increase data center and company operating costs. In some jurisdictions in which we operate **or maintain business** , such as India ~~, Russia~~ and China, laws and regulations may require us to locally host at least an instance of the data collected in that jurisdiction and in some cases may apply restrictions to the export or transfer of that data across borders. Such data localization laws and regulations may increase our overall data center operating costs by requiring duplicative local facilities, network infrastructure and personnel, and by potentially increasing the resources required to process governmental requests for access to that data. This may also increase our exposure to government requests for censorship and to data breaches in general. We continue to explore strategies to limit such risks ~~related to data collected in those jurisdictions~~ , but cannot guarantee that our efforts will be successful . To date, government regulations have...... our business and our results of operations . We are subject to certain export controls, including economic and trade sanctions regulations that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Our business activities are subject to various restrictions under U. S. export controls and trade and economic sanctions laws, including the U. S. Commerce Department' s Export Administration Regulations and economic and trade sanctions regulations maintained by the U. S. Treasury Department' s Office of Foreign Assets Control (OFAC). These also include U. S., UK and E. U. financial and economic sanctions targeting Russia following its invasion of Ukraine. If we fail to comply with these laws and regulations, we could be subject to civil or criminal penalties and reputational harm. U. S. export control laws and economic sanctions laws also prohibit certain transactions with U. S. embargoed or sanctioned countries, governments, persons and entities. We employ country- specific log- in and / or cart blocks in comprehensively sanctioned jurisdictions, customer screening, and other measures designed to ensure regulatory compliance. When we screen customers against such sanctions lists, we rely on the data provided to us by our customers; if customers do not provide complete or accurate data, our screening process may fail to identify customers who are denied parties. As such, there is risk that in the future we could provide our products to denied parties despite such precautions. Changes in the list of sanctioned jurisdictions and OFAC and other sanctions lists may require us to modify these measures in order to comply with governmental regulations. Our failure to screen customers properly could result in negative consequences to us, including government investigations, penalties and reputational harm. Any change in export or import regulations, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our products or decreased ability to sell our products to existing or potential customers. Any decreased use of our products or limitation on our ability to sell our products internationally could adversely affect our growth prospects. If we are found to be in violation of the export controls laws and regulations or economic sanctions laws and regulations, penalties may be imposed against us and our employees, including loss of export privileges and monetary penalties, which could have a material adverse effect on our business. We could also be materially and adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise if we are found to have violated these laws and regulations. Due to the global nature of our business, we could be adversely affected by violations of anti- bribery and anti- corruption laws. We face significant risks if we fail to comply with the U. S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), the UK Bribery Act 2010 (UK Bribery Act), the U. S. Travel Act of 1961 and other anti- corruption and anti- bribery laws prohibiting companies and their employees and third- party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties and private- sector recipients for an illegal purpose. We operate **and maintain business** in areas of the world in which corruption by government officials exists to some degree and, in certain circumstances, compliance with anti- bribery and anti- corruption laws may conflict with local customs and practices. We operate **and maintain business** in several countries and sell our products to customers around the world, which results in varied and potentially conflicting compliance obligations. In addition, changes in laws could result in increased regulatory requirements and compliance costs which could adversely affect our business, financial condition and results of operations. While we are committed to complying with, and we provide training to help our employees comply with, all applicable anti- bribery and anti- corruption laws, we cannot assure that our employees or other agents will not engage in prohibited conduct and render us responsible under the FCPA or the UK Bribery Act. If we are found to be in violation of the FCPA, the UK Bribery Act or other anti- bribery and anti- corruption laws (either due to acts or inadvertence of our employees, or due to the acts or inadvertence of others), we could suffer criminal or civil penalties or other sanctions, which could have a material adverse effect on our business. Any violation of the FCPA or other applicable anti- corruption or anti- bribery laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U. S. government contracts, which could have a material and adverse effect on our reputation, business, operating results and growth prospects. In addition, responding to any enforcement action may result in a diversion of management' s attention and resources and significant defense costs and other professional fees. Changes in taxation laws and regulations may discourage the registration or renewal of domain names for e- commerce. Due to the global nature of the Internet, it is possible that any U. S. or foreign federal, state or local taxing authority might attempt to regulate our transmissions or levy transaction, income or other taxes relating to our activities. Tax authorities at the international, federal, state and local levels are regularly reviewing the appropriate treatment of companies engaged in e- commerce. New or revised international, federal, state or local tax regulations may subject either us or our customers to additional sales, income and other taxes. In particular, after the U. S. Supreme Court' s ruling in South Dakota v. Wayfair, U. S. states may require an online retailer with no in- state property or personnel to collect and remit sales tax on sales to such states' residents. We cannot predict the effect of current attempts to impose sales, income or other taxes on e- commerce. New or revised taxes, ~~in particular~~ **particularly** sales and other transaction taxes, would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and to collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations. ~~Our payments related operations, including GoDaddy Payments, is subject to various laws, regulations, restrictions and risks. Our failure to comply with such rules, regulations, and restrictions regarding our payments business could materially harm our business.~~ We are subject, and may become subject, to various restrictions with respect to our **payments- related operations and** payments products and services, including under U. S. federal, U. S. state and international laws and regulations, as well as restrictions set forth in agreements we have with payment card networks and third **-** party payment service providers. Payments Regulations. The processing and acceptance of a variety of payment methods is subject to various laws, rules, regulations, legal interpretations, and regulatory guidance, including those governing (i) cross- border and domestic money transmission and funds transfers, (ii) foreign exchange, (iii) payment services, and (iv) consumer protection. If we or our GoDaddy Payments business were found to be in violation of applicable laws or regulations, we could be subject to additional operating requirements and / or civil and criminal penalties or forced to cease providing certain services. Payment Card Networks. We partner with payment card networks including Visa, MasterCard and American Express to conduct **both** our **and GoDaddy Payments'** payment processing. These payment card networks have adopted rules and regulations that apply to all merchants who accept their payment cards including special operating rules that apply to GoDaddy Payments as a" payment facilitator" providing payment processing services to our ~~Go Daddy~~ **GoDaddy** Payments' customers. Each payment card network has discretion to interpret its own network operating rules and may make changes to such rules at any time. Changes to such rules could include increasing the cost of, imposing restrictions on, or otherwise impacting the development of, our GoDaddy Payments' retail point- of- sale solutions, which may negatively affect their deployment and adoption and could ultimately harm our business. In addition, these payment card networks may **in the future** increase ~~in the future,~~ the interchange fees and assessments that they charge for each transaction **on** ~~that accesses~~ their networks, and may impose special fees or assessments on any transactions **on** ~~that access~~ their networks. Our payment card networks have the right to pass any increases in interchange fees and assessments on to us, which could increase our costs and thereby adversely affect our financial performance. We may also be subject to fines assessed by the payment card networks resulting from any rule violations by us or our GoDaddy Payments' customers. For instance, we could be subject to penalties from payment card networks if we fail to detect that our GoDaddy Payments' customers are engaging in activities that are illegal, contrary to the payment card network operating rules, or considered" high risk." Any such penalties could become material and could result in termination of our ability to accept payment cards or could require changes in our process for registering new GoDaddy Payments' customers. Any such penalties or fines could materially and adversely affect our business. Third **-** Party Payment Service Providers. We have agreements in place with companies that process credit and debit card transactions on our and GoDaddy Payments' behalf. These agreements allow these payment processors, under certain conditions, to hold an amount of our, or in the case of GoDaddy Payments its customers' cash (referred to as a" holdback") or require us to otherwise post security equal to a portion of bookings that have been processed by that company. These payment processors may be entitled to a holdback or suspension of processing services upon the occurrence of specified events, including material adverse changes in our financial condition. An imposition of a holdback or suspension of payment processing services by one or more of our payment processors could materially reduce our liquidity. Further, the software and services provided by payment processors may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to process payments, and our business and operating results could be adversely affected. GoDaddy Payments' risk management efforts may not be effective, and we could be exposed to substantial losses and liability which could substantially harm our business. GoDaddy Payments offers **payment processing and other** payments ~~and other~~ products and services to our customers. We have programs to vet and monitor these customers and the transactions we process for them as part of our risk management efforts, but such programs require continuous improvement and may not be effective in detecting and preventing fraud and illegitimate transactions. When GoDaddy Payments' payments services are used to process illegitimate transactions, and we settle those funds to customers and are unable to recover them, we suffer losses and liability. As a greater number of sellers, including customers with larger sale volumes, use GoDaddy Payments' services, our exposure to material losses from a single seller, or from a small number of sellers, will increase. In addition, customers could attempt to use our payments products and services for illegal activities or improper uses. While our terms of service prohibit the use of our products by our customers for illegal or improper activities and allow us to take appropriate actions in response to such activities, any use of our payments platform for illegal or improper activities or failure by us to detect or prevent illegal or improper activity by our customers may subject us to claims, individual and class action lawsuits, and government and regulatory requests, inquiries, or investigations that could result in liability, restrict our operations, impose additional restrictions or limitations on our business or require us to change our business practices, harm our reputation, increase our costs, and negatively impact our business. Risks Related to Owning our Class A Common Stock In recent years, shareholder activists have become involved in numerous public companies. Shareholder activists frequently propose to involve themselves in the governance, strategic direction and operations of companies ~~. For example~~ , **including** ~~Starboard Value L. P., an activist investor, has reported, as of November 2022, that it holds approximately 7. 7 % ownership interest in our outstanding common stock. Shareholder activists have also become increasingly concerned with~~ companies' efforts regarding environmental, sustainability and governance standards **. For example, Starboard Value L. P., an activist investor, has reported, as of January 2024, that it holds an approximately 6. 2 % beneficial ownership interest in our outstanding common stock** . Responding to actions by activist shareholders, such as requests for special meetings, potential nominations of candidates for election to our board of directors, requests to pursue a strategic combination or other transaction, or other special requests may disrupt our business and divert the attention of management and employees. In addition, any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel and business partners, any of which could negatively impact our business. Shareholder activism could result in substantial costs. In addition, actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business. The trading price of our Class A common stock **has in the past been, and** is likely to **continue to** be **,** highly volatile and these fluctuations could cause you to lose all or part of your investment in our common stock. Since shares of our Class A common stock were sold in our initial public offering in April 2015 at a price of $ 20. 00 per share, the reported high and low sales prices of our Class A common stock have ranged from $ 21. 04 to $ ~~93~~ **115** . ~~75~~ **07** per share through February ~~10~~ **23** , ~~2023~~ **2024** . Factors that may cause the market price of our Class A common stock to fluctuate include: • price and volume fluctuations in the overall stock market from time to time; • significant volatility in the market price and trading volume of technology companies in general, and of companies in our industry; • actual or anticipated changes in our results of operations or fluctuations in our operating results; • whether our operating results meet the expectations of securities analysts or investors; • failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates or ratings by any securities analysts who follow our company or our failure to meet the estimates or the expectations of investors; • announcements of new products or technologies, commercial relationships, acquisitions or other events by us or our competitors; • actual or anticipated developments in our competitors' businesses or the competitive landscape generally; • actual or perceived privacy or ~~data security~~ **cybersecurity** incidents; • litigation involving us, our industry or both; • regulatory developments in the U. S., foreign countries or both; • general economic conditions and trends; • the commencement or termination of any share repurchase program; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • network or service outages, Internet disruptions, the availability of our service, security breaches or perceived security breaches and vulnerabilities; • changes in accounting standards, policies, guidelines, interpretations or principles; • actions instituted by activist shareholders or others; • **sales of large blocks of our stock; • departures of key personnel; or •** major catastrophic events, including those resulting from war, incidents of terrorism, outbreaks of pandemic diseases, such as COVID- 19, or responses to these events ~~; • sales of large blocks of our stock; or • departures of key personnel~~ . In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our Class A common stock might also decline in reaction to events affecting other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company' s securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation, which could result in substantial costs and a diversion of management' s attention and resources. Provisions of our charter, bylaws and Delaware law may have anti- takeover effects that could prevent a change in control of the ~~Company~~ **company** even if the change in control would be beneficial to our stockholders. Our ~~amended~~ **charter** and ~~restated certificate of incorporation and second amended and restated~~ bylaws provide for, among other things: • the ability of our board of directors to issue one or more series of preferred stock with voting or other rights or preferences that could have the effect of impeding the success of an attempt to acquire us or otherwise effect a change in control of the ~~Company~~ **company** ; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at stockholder meetings; **and** • certain limitations on convening special stockholder meetings ~~; and • amendment of certain provisions only by the affirmative vote of the holders of at least a majority in voting power of all outstanding shares of our stock entitled to vote thereon, voting together as a single class~~ . At our 2022 annual meeting of stockholders, our stockholders approved certain amendments to our **charter** ~~amended and restated certificate of incorporation~~ , including the recommendation of our board of directors to eliminate its classified structure ~~, elimination of the supermajority threshold required for stockholders to amend our amended and restated certificate of incorporation and our amended and restated bylaws and the elimination of any exceptions or special rules to Section 203 of the Delaware General Corporation Law (DGCL)~~ . **The** ~~In connection with the approval of the amendment to declassify our board of directors, the~~ declassification of the board of directors will be a ~~phase~~ **phased** - in approach. Beginning with the 2023 annual meeting of stockholders, each director nominated to serve on our board of directors ~~will be~~ **has been** nominated to serve for one- year terms. Our board of directors will be completely declassified **,** and all directors will be elected on an annual basis to serve one- year terms **,** ~~expiring at the next annual meeting~~ beginning ~~at~~ **with** the 2025 annual meeting of stockholders. In all cases, each director will hold office until his or her successor is elected and qualified, or until his or her earlier resignation or removal. Until the board of directors is fully declassified ~~in~~ **at the** 2025 **annual meeting of stockholders** , the classification of our board of directors ~~may prevent~~ **prevents** our stockholders from changing the membership of the entire board of directors ~~in~~ **at** a **single** ~~relatively short period of time. At least two~~ annual ~~meetings~~ **meeting** ~~, instead of one, will be required to change the majority of directors. The classified board provisions could have the effect of prolonging the time required for one of our stockholders with significant voting power to gain majority representation on our board of directors~~ . Our bylaws designate the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial form for disputes with us. Our ~~amended and restated~~ bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of or based on a breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders, (iii) any action asserting a claim against us or any of our current or former directors, officers, employees, or stockholders arising pursuant to any provision of the **Delaware General** ~~DGCL, our amended and restated certificate of incorporation~~ **Corporation Law** , ~~or~~ **our charter,** ~~our~~ **or our** ~~amended and restated~~ bylaws, or (iv) any other action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our ~~amended and restated~~ bylaws provide that the U. S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act ~~of 1933, as amended (Securities Act)~~ . This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers ~~,~~ or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our ~~amended and restated~~ bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. We **currently** do not intend to pay dividends on our Class A common stock. We have never declared or paid any dividends on our common stock **,** and we **currently** do not ~~expect~~ **intend** to pay dividends to the holders of our Class A common stock ~~for the foreseeable future~~ . Our ability to pay dividends on our Class A common stock is limited by our existing indebtedness ~~,~~ and may be further restricted by the terms of any future debt incurred or preferred securities issued by us or our subsidiaries or by law. As a result, any capital appreciation in the price of our Class A common stock may be your only source of gain on your investment in our Class A common stock. ~~If, however, we decide to pay a dividend in the future, we would need to cause Desert Newco to make distributions to the company in an amount sufficient to cover such dividend. Deterioration in the financial condition, earnings or cash flow of Desert Newco for any reason could limit or impair its ability to make distributions to us.~~ We cannot guarantee we will make any additional repurchases of our Class A common stock. In the past, our board of directors has approved the repurchase of shares of our Class A common stock. In ~~January~~ **August** ~~2022~~ **2023** , our board of directors approved the repurchase of up to an additional $ ~~2~~ **1** , ~~251~~ **000** . 0 million of our Class A common stock. Such approval was in addition to the amount remaining available for repurchases under prior approvals of our board of directors, such that ~~we have~~ **our total approved** authority ~~to repurchase up to~~ **under the program is** $ ~~3~~ **4** , 000. 0 million of shares of our Class A common stock **through 2025** . Under this or any other future share repurchase programs, we may make share repurchases through a variety of methods, including open market share purchases, accelerated share repurchase programs, block transactions or privately negotiated transactions, in accordance with applicable federal securities laws. ~~In February 2022, we entered into accelerated share repurchase agreements (ASRs) to repurchase shares of our Class A common stock in exchange for an up- front aggregate payment of $ 750. 0 million. In addition to the ASRs, during~~ **During** the year ended December 31, ~~2022~~ **2023** , we repurchased ~~a total of 7, 642~~ shares of our Class A common stock in the open market, which were retired upon repurchase, for an aggregate purchase price of $ ~~550.~~ 1 **, 264. 4** million. ~~As~~ **Of the $ 4, 000. 0 million authorized for repurchase, we have repurchased shares representing a cumulative total of $ 2, 564. 5 million and as** of December 31, ~~2022~~ **2023** , we had $ 1, ~~699~~ **435** . ~~9~~ **5** million of remaining authorization available for repurchases. Future share repurchase programs may have no time limit, may not obligate us to repurchase any specific number of shares and may be suspended at any time at our discretion and without prior notice. The timing and amount of any repurchases, if any, will be subject to liquidity, stock price, market and economic conditions, compliance with applicable legal requirements such as Delaware surplus and solvency tests and other relevant factors. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. The existence of these share repurchase programs could cause our stock price to be higher than it otherwise would and could potentially reduce the market liquidity for our stock. Although these programs are intended to enhance long- term stockholder value, there is no assurance they will do so because the market price of our Class A common stock may decline below the levels at which we repurchased shares of Class A common stock and short- term stock price fluctuations could reduce the effectiveness of the programs. Other Risks ~~The COVID- 19 pandemic has had a material adverse impact on many of our customers and could harm our business and operating results. The impacts of the ongoing COVID- 19 pandemic on the global economy and on our business continue to evolve. To protect the health and well- being of our employees, partners and third- party service providers, in 2020 we implemented a near company- wide work- from- home requirement for most employees, made substantial modifications to employee travel policies, and cancelled or shifted our conferences and other marketing events to virtual- only. In late 2021, we began reopening certain offices in accordance with guidance from governmental authorities and health experts. As of the date of this filing, we have invited~~

~~most employees to return to our offices on a voluntary basis. We expect to continue to reopen other offices this year. Our employees remain highly productive. We expect to maintain and continue to improve our productivity and efficiency through the remote only work environment, and the hybrid in- person / remote work environment as our employees return to the office. However, we cannot predict how our employees or business will be impacted by the ongoing COVID- 19 pandemic, and our ability to continue product development, marketing efforts, high- level customer service and account management with our customers, and how other aspects of our business could be impacted in the future. In addition, the COVID- 19 pandemic has disrupted, and may continue to disrupt, the operations of our customers as a result of business shutdowns, decreased demand from their customers, travel restrictions, loss of employment and uncertainty in the financial markets, all of which have negatively impacted, and could continue to negatively impact, our business and operating results by reducing customer spending on our products and services, in particular for our higher- priced, do- it- for- you services. As global economic conditions continue to recover from the COVID- 19 pandemic, business activity may not recover as quickly as anticipated. Conditions will be subject to the effectiveness of government policies, vaccine administration rates and other factors that may not be foreseeable. The COVID- 19 pandemic has also increased our vulnerability to consumer privacy, data security and fraud risks as a result of our personnel working remotely, which may require us to invest in risk mitigation efforts that may not be successful. It is not possible at this time to estimate the full impact of the COVID- 19 pandemic on our business, as the impact will depend on future developments, which are highly uncertain and cannot be predicted.~~ Economic conditions in the U. S. and international economies may adversely impact our business and operating results. General macro- economic conditions, such as **higher** ~~a rise in~~ interest rates, inflation in the cost of goods and services including labor, a recession or an economic slowdown in the U. S. or internationally **could adversely affect our operations as well as demand for our products and services** , including **our aftermarket and hosting services, which may make it difficult to accurately forecast and plan our future business activities. For example, U. S. and global markets have been experiencing volatility and disruption due to interest rate and inflation increases, such as higher inflation rates in the U. S., which rose in the second half of 2021 and have remained above the Federal Reserve' s inflation target, as well as the continued escalation of geopolitical tensions, including those** as a result of ~~continuing uncertainty from~~ the **conflicts between** ~~COVID- 19 pandemic or the~~ Russia ~~-~~ **and** Ukraine ~~military conflict, could adversely affect demand for our products~~ and **in the Middle East** ~~make it difficult to accurately forecast and plan our future business activities~~ . **We** ~~U. S. and global markets~~ have ~~recently been experiencing~~ **experienced** ~~volatility~~ and ~~disruption due to interest rate and inflation increases as well as the continued~~ - **continue** ~~escalation of geopolitical tensions. For example, inflation in the U. S. began~~ to ~~rise in the second half of 2021 and has remained at high levels through third quarter 2022. We are experiencing~~ **experience** inflationary pressures in certain areas of our business ~~, however we believe we have been able to slightly offset such pressures through our medium term contracts, hedging positions and a reduction in discretionary spending~~ . Although our business has not yet been materially negatively impacted by such inflationary pressures, we cannot be certain that neither we nor our customers will be materially impacted by continued pressures. ~~Additionally, on February 24, 2022, Russian troops engaged in a full- scale military invasion of Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, it could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. This military conflict has led to sanctions and other penalties being levied by the U. S., E. U. and other countries against Russia, and other potential sanctions and penalties have also been proposed and / or threatened. Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds. Although we have no employees or facilities in Russia or Ukraine, we do have a limited number of customers and contractors in these locations. As a result, a prolonged conflict could cause delays in future product launches if such contractors are unable to work and / or it becomes necessary to locate and train new contractors to support our products. In addition, we opted to shut down our GoDaddy website in Russia and have removed support for the Ruble. Our business has not been materially impacted to date by the ongoing military conflict and it is impossible to predict the extent to which our operations, or those of our customers and contractors, will be impacted in the short and long term, or the ways in which the conflict may impact our business. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this Annual Report.~~ To the extent conditions in the domestic and global economy change, our business could be harmed as current and potential customers may reduce or postpone spending or choose not to purchase or renew subscriptions to our products **, or may choose not to use certain of our other services,** which they may consider discretionary. If our customers face decreased consumer demand, increased regulatory burdens or more limited access to international markets, we may face a decline in the demand for our products **and services,** and our operating results could be adversely impacted. Uncertain and adverse economic conditions may also lead to a decline in the ability of our customers to use or access credit, including through credit cards, as well as increased refunds and chargebacks, any of which could adversely affect our business. In addition, changing economic conditions may also adversely affect third parties with which we have entered into relationships and upon which we depend in order to grow our business. As a result, we may be unable to continue to grow in the event of future economic slowdowns. ~~If we fail to maintain an effective system of disclosure controls and internal control over financial reporting~~ **Reporting requirements** ~~, our ability to produce timely and accurate financial statements or~~ **for which we must** comply ~~with applicable regulations~~ **may continue to increase our costs, become too time- consuming or** could ~~be impaired~~ **divert management' s attention, which could adversely affect our business and operating results** . As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act of 2002 (Sarbanes- Oxley Act) and the listing standards of the New York Stock Exchange (NYSE). We expect the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time- consuming and costly, and place significant strain on our personnel, systems and resources. In addition, complying with these rules and regulations may divert management' s attention from other business concerns, which could adversely affect our business and operating results. ~~We~~ **Increased scrutiny from investors, regulators and other stakeholders relating to environmental, social and governance issues could result in additional costs for us and may adversely impact our reputation. Investors, regulators, customers, employees and other stakeholders are increasingly focused on environmental, social and governance (ESG) matters. If we fail, or are perceived to fail, to make progress or achievements, or to maintain ESG practices that meet evolving regulations and stakeholder expectations, or if we revise any of our ESG commitments, initiatives or goals, our reputation and our ability to attract and retain employees could be harmed, we may receive negative media attention and we may be negatively perceived by our investors or our customers. To the extent that our required and voluntary disclosures about ESG matters increase, we could also be questioned about the accuracy, adequacy, or completeness of such disclosures and our reputation could be negatively impacted. In addition, regulatory requirements with respect to climate change and other aspects of ESG may result in increased compliance requirements on our business and supply chain, and may increase our operating costs. As a public company, we** are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control **. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis** . Section 404 of Sarbanes- Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm is required to audit such internal control. ~~Although~~ **As discussed below in Part II, Item 9A, " Controls and Procedures, "** our management ~~has determined, and~~ **(i) identified a material weakness in the design of** our ~~independent registered public~~ **controls related to the** accounting ~~firm has attested,~~ **for income taxes and related disclosures with regard to management review controls and the completeness and accuracy of information used in the execution of those controls and (ii) concluded** that our internal control over financial reporting was **not** effective as of December 31, ~~2022~~ **2023 due to this** ~~, we cannot assure you that we or our independent registered public accounting firm will not identify a~~ material weakness **. This material weakness did not result** in **any material misstatements to our consolidated financial statements or any changes to previously filed financial statements, and we have concluded that our financial statements and other financial information included in this Annual Report and other periodic filings present fairly, in all material respects, our financial condition, results of operations, and cash flows for the periods presented in accordance with GAAP. We have drafted documentation to respond to, and are developing a comprehensive plan to remediate as soon as possible, this material weakness. However, we may not be successful in remediating this material weakness in the near- term, or at all, or be able to identify and remediate any additional control deficiency, including any material weakness, that may arise in the future. If we fail to remediate the material weakness or any future deficiencies or fail to otherwise maintain the adequacy of** our internal controls **, that could result** in ~~the future. If we have~~ a **restatement of** ~~material weakness in~~ our ~~internal control over~~ financial ~~reporting in the future~~ **statements for prior periods** , ~~we could be subject to~~ **a decline in the market price of our stock,** one or more investigations or enforcement actions by state or federal regulatory agencies, stockholder lawsuits **,** or other adverse actions requiring us to incur defense costs or pay fines, ~~or~~ settlements **,** or judgments ~~, thereby causing investor perceptions to be adversely affected and potentially resulting in restatement of our financial statements for prior periods and a decline in the market price of our stock~~ . In addition, ~~our current internal controls and~~ any ~~new controls we implement may become inadequate because of changes in conditions in our business or information technology systems or changes in the applicable laws, regulations and standards. We have also recently acquired, and may acquire in future, companies that were not previously subject to Sarbanes- Oxley Act regulations and accordingly were not required to establish and maintain an internal control infrastructure compliant with the Sarbanes- Oxley Act. Any~~ failure to design or operate effective controls, any difficulties encountered in their implementation or improvement, or any failure to implement adequate internal controls for our acquired companies could (i) harm our operating results, (ii) cause us to fail to meet our reporting obligations, (iii) adversely affect the results of management evaluations and independent registered public accounting firm audits of our internal control over financial reporting, ~~about~~ which we are required to include in our periodic reports filed with the SEC, or (iv) cause investors to lose confidence in our reported financial and other information, any of which could have a negative effect on our stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE in the future. Our business is subject to the risks of earthquakes, fire, power outages, floods and other catastrophic events **, whether due to climate change or otherwise,** and to interruption by man- made events such as terrorism and civil unrest. Our continued growth depends on the ability of our customers to access our products, services and customer support at any time and within an acceptable amount of time. In addition, our ability to access certain third- party solutions is important to our operations and the delivery of our products, services and customer support. Although we have disaster recovery plans in place, a significant natural disaster, such as an earthquake, fire or flood or **other unusual or prolonged adverse weather patterns, whether due to climate change or otherwise, or** acts of terrorism, civil unrest, pandemics **,** such as the COVID- 19 pandemic, international conflicts, such as the **conflicts between** Russia ~~-~~ **and** Ukraine ~~military conflict~~ **and in the Middle East** , or other similar events beyond our control could cause disruptions in our business or the business of our infrastructure vendors, data center hosting providers, partners or customers, our infrastructure vendors' abilities to provide connectivity and perform services on a timely basis or the economy as a whole. In the event our or our service providers' IT systems' abilities are hindered by any of the events discussed above, we and our customers' websites could experience downtime, and our products could become unavailable. A prolonged service disruption for any of the foregoing reasons would negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the services we use.